



TOWN OF  
**HILLSBOROUGH**  
NORTH CAROLINA

**FY2024-25**

# Manager's Recommended Budget





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FY2025 Operating & Capital Budget

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# Board of Commissioners

FY2025 Operating & Capital Budget

Mayor Mark Bell



Current Term: 2023 — 2025

Commissioner/Mayor Pro  
Tem Robb English



Current Term: 2021 — 2025

Commissioner Meaghun  
Darab



Current Term: 2023 — 2027

Commissioner Kathleen  
Ferguson



Current Term: 2021 — 2025

Commissioner Matt Hughes



Current Term: 2023 — 2027

Commissioner Evelyn P. Lloyd



Current Term: 2023 — 2027



# Reader's Guide to the Budget Document

## FY2025 Operating & Capital Budget

The Budget and Financial Plan describes how the town plans to achieve its goals and objectives and meet the community's needs. The Town of Hillsborough's budget and financial plan is not just a document full of numbers. It serves as an operations guide, financial plan, communications device, policy document and a general resource for information about the town.

This guide is provided to assist readers in locating information within the budget document. The Town of Hillsborough's Fiscal Year 2025 annual budget and financial forecast is divided into seven major sections: Budget Message/Ordinance, Budget Summary and Information, General Fund, Water and Sewer Fund, Stormwater Fund, Capital Improvement Plan, and Supplemental Information. Each section is outlined below.

### I. Budget Message/Ordinance

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The Budget Message, a letter from the town manager to the Board of Commissioners, provides an overview of the upcoming fiscal year budget and financial plan. This section also contains the FY25 Budget Ordinance. The ordinance, a statute legally adopted by the Board of Commissioners, sets the spending limits for the FY25 budget period (July 1, 2024, to June 30, 2025).

### II. Budget Summary and Information

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This section provides a summary of revenue, expenditure, and fund balance (savings) information for each of the town's funds. Information provided in both numerical and narrative format helps the reader to easily determine how much money each fund/budget unit is spending and generating. The section also includes the town's financial policies. Department responsibilities and an explanation of the process for developing and amending the budget and financial plan provide additional information to help the reader understand the budget process.

### III. General Fund

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This section includes the following budgets: governing body, administration, accounting, human resources, planning, facility management, public space, safety and risk management, information technology, police, fire, fleet maintenance, streets, solid waste, cemetery, special appropriations, and contingency. Each portion contains actual expenses for FY23, projected FY24-FY27 expenses, and a budget highlights narrative.

### IV. Water and Sewer Fund

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This section includes budgets for the following: administration of enterprise, utilities administration, billing and collections, water treatment plant, West Fork Eno Reservoir, water distribution, wastewater collection, wastewater treatment plant, and contingency. Each portion contains actual expenses for FY23, projected FY24-FY27 expenses, and a budget highlights narrative.

### V. Stormwater Fund

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This section includes budgets for the following: Stormwater. The section contains actual expenses for FY23, projected FY24-FY27 expenses, and a budget highlights narrative.

## VI. Capital Improvement Plan

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This section includes projects with a total cost of \$100,000 or more that are listed in the town's seven-year capital improvement plan. Included are a description of each project and a breakout of the associated costs.

## VII. Supplemental Information

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This section contains information about Hillsborough, the Authorized Personnel Listing, and a glossary of terms used throughout the document.

# Budget Message

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# Manager's Recommended Budget

Fiscal Year 2024-25, effective July 1, 2024



## GENERAL FUND: \$20.1 MILLION

For services like residential garbage collection, public safety, and recreation facilities. Revenue is primarily from property and other taxes.



## WATER & SEWER FUND: \$13.5 MILLION\*

For water and sewer service, including system maintenance and improvements. Revenue is primarily from utility charges.



## STORMWATER FUND: \$1.1 MILLION\*

For stormwater services, including maintaining drainage infrastructure and keeping pollutants from waterways. Revenue is primarily from stormwater charges.

\* Enterprise funds — No profits are made. Revenue is used for no other purpose.

## RATES AND FEES



### Property Tax Rate

60.7 cents per \$100

2 cent increase



### Water Rates

\$11.53 per 1,000 gallons

7.5% increase



### Sewer Rates

\$16.22 per 1,000 gallons

7.5% increase



### Stormwater Fee

\$90 for residential

\$15 increase

## Why are rates and fees increasing?

### Property Tax Rate

The town has had two tax rate increases in the last 15 years — in fiscal years 2013 and 2022. The last followed a revaluation of property in Orange County.

The recommended budget proposes a 2-cent tax rate increase in Fiscal Year 2025 with an additional 2-cent increase anticipated in Fiscal Year 2026.

On a \$400,000 home, a 2-cent tax increase would result in a tax bill that is \$80 higher than the previous year.

Numerous organizational and community needs are reflected in the table to the right. The proposed rate increase for Fiscal Year 2025 is expected to generate about \$320,000 in additional revenue. The additional funds would help cover the deficit associated with funding these town priorities.

Project	Annual Cost	Tax Rate Equivalent (in cents)
N.C. 86 Facility Renovation	434,000*	2.71
Affordable Housing	320,000	2.00
Train Station	162,000	1.01
Fire Personnel Expansion	114,000	0.71
Fire Station	300,000	1.88
Ridgewalk Greenway	583,000	3.64
Police Social Worker	80,000	0.50
Accounting Software	100,000	0.63
Police Vehicle Replc	225,000	1.41
Public Works Vehicle Replc	416,000	2.6
Market Pay Adjustments	165,000	1.03
Total		18.12

\* Reflects annual debt service if project were debt financed. Budget assumes paying for the project using cash.

## Water and Sewer Rates

The recommended budget for the Water and Sewer Fund includes a focus on our aging utilities system. Many of the town’s water and sewer assets are over 50 years old, with some 100 years old. Repair and replacement of assets becomes more expensive over time. The table to the right includes some assets proposed for repair or replacement in the FY25-27 Budget and Financial Plan.

The town has sought grant funding to help finance projects, generating \$9.03 million through the Building Resilient Infrastructure and Communities Program and the State and Tribal Assistance Grants funding. While grants help, the town has over \$35 million in identified water and sewer needs. Continued rate increases are needed to start addressing those needs.

Aging Infrastructure	
Water and Sewer Facility	90 years (1936)
Hasell Water Tank	90 years (mid-1930s)
Exchange Club and Eno River Interceptors	50 years


Items in the table above reflect the infrastructure that will start to be addressed in the three-year budget and financial plan.

## Stormwater Fee

The town’s stormwater fee has not changed since the Stormwater Fund was started in Fiscal Year 2017. The budget proposes a \$15 increase for the residential tier with equivalent increases to the non-residential tiers in each of the three years of the financial plan to help fund the following:

- Improving compliance with the town’s stormwater permit.
- Building a reserve to fund stormwater infrastructure capital projects.
- Compliance with pending rules to protect Falls Lake, where the town’s watershed drains.
- Additional staff to proactively address stormwater system maintenance.

## KEY ELEMENTS TO BUILDING THE BUDGET




1

TAKE CARE OF WHAT WE HAVE

The town’s budget motto prioritizes caring for infrastructure, equipment, buildings, employees and systems before making new budget additions.

- Repairing and replacing assets becomes more expensive the longer we wait.
- New assets must be balanced with the personnel, equipment and organization needed to maintain them.




2

MULTI-YEAR FORECASTING

A multi-year approach has been a key component of the town’s budgets since 1998.

- It eases looking forward to identify, address and mitigate potential problems.
- It shows how decisions now affect the town’s financial condition in the future.
- The financial plan’s first year is legally binding. Years 2 and 3 help provide a more accurate financial picture.



3

STRATEGIC PLAN

The adopted strategic plan for fiscal years 2024-26 links together priorities and creates a plan for achieving goals. The Strategic Plan is aligned with the Comprehensive Sustainability Plan.

- The proposed FY2025-27 Budget and Financial Plan includes resources to implement strategic plan objectives.
- Progress updates are provided throughout the fiscal year.



TOWN OF  
**HILLSBOROUGH**  
NORTH CAROLINA

May 13, 2024

Honorable Mayor Bell and Board of Commissioners:

Submitted is Hillsborough’s FY25-27 Annual Budget Workbook. The budget is prepared in accordance with the Local Government Budget and Fiscal Control Act. As this proposed document is transmitted from the town manager it becomes the governing body’s budget to review, question, debate, adapt and ultimately adopt. It is expected that changes will be made to the proposed budget as information becomes available and alternatives are considered. Staff will provide any information the board deems necessary to make well-informed decisions on the budget and financial plan. Therefore, the mayor, town board, advisory boards, and community are encouraged to share their views on what should be funded or modified, starting with the public hearing and first workshop on May 28. It’s anticipated that the Water & Sewer Rate Model will be presented by *Raftelis – Local Government & Utility Management Consulting* then as well. This will provide additional information for the board to consider as it evaluates and makes budget decisions.

### Multi-year Forecasting

The multi-year forecasting component of this document, used since 1998, makes it easier to look forward, identify and mitigate potential problems while they are still manageable. The financial plan acts as a “fiscal radar,” giving Hillsborough more time and flexibility to plan responses to problems and needs. Hillsborough is one of the only local governments in North Carolina using a multi-year budget format. While only the first year of the budget is legally binding, years two and three of the financial plan include critical information that provides a more accurate picture of the town’s fiscal and operational challenges.

### “Taking care of what we have”

The town’s mission, vision, strategic priorities, and objectives can’t be achieved if the basic tools of service implementation are not in working order: the town’s infrastructure, equipment, buildings, employees, and systems. The longer a municipality waits to repair or replace these assets (tangible and intangible), the more expensive it becomes in the long term. Governments are notorious for not adequately maintaining assets as is evidenced in the American Society of Civil Engineers’ infrastructure report cards. This is an excellent reminder to avoid the errors others routinely make in budget prioritization and ensure we are properly maintaining Hillsborough’s assets. This is especially relevant in the FY25-27 Budget and FY25-31 Capital Improvement Plan (CIP), which includes millions of dollars to replace larger portions of the water and sewer system that are roughly 50 – 100 years old.

### FY24-25 Budget Highlights

#### Expenditures

General Fund	\$20,128,523
Water and Sewer Fund	\$13,524,648
Stormwater	<u>\$ 1,128,570</u>
<b>Total Budget</b>	<b>\$34,781,741</b>

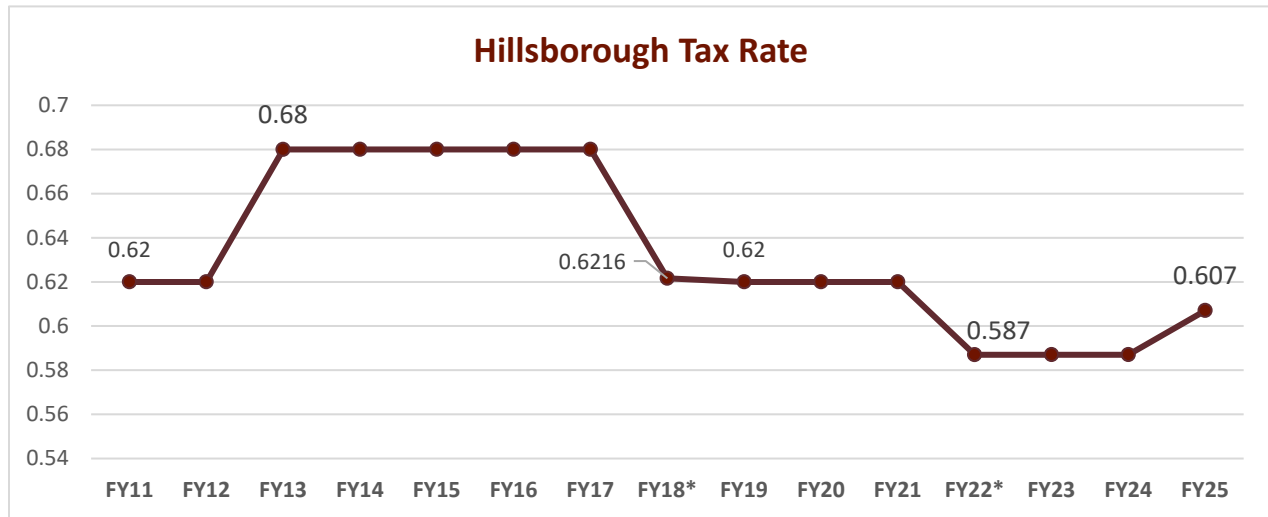
Property Tax Rate	\$0.6070 per \$100 valuation Increase of 2 cents over FY23-24 tax rate.
Water Rate	7.5% increase over FY23-24 rate.
Sewer Rate	7.5% increase over FY23-24 rate.
Stormwater Fee	\$90 for residential properties Increase of \$15 over FY23-24 fee; non-residential tiers modified for FY25 with proportional fee adjustments.

## Tax and Rate Highlights

### **Property tax. 2 cent increase, from 58.7 to 60.7 cents.**

If approved, this means there will have only been three property tax rate increases over the past 15 years. The most recent was the two-cent increase in FY22 that was earmarked annually for climate and sustainability priorities.

It is projected that another increase in FY26 will be needed to fund the commitment of dedicating two cents on the tax rate (\$320,000) for affordable housing initiatives. The town has significantly increased funding for affordable housing-related programs over the past several years but has been absorbing those expenses in the General Fund budget.

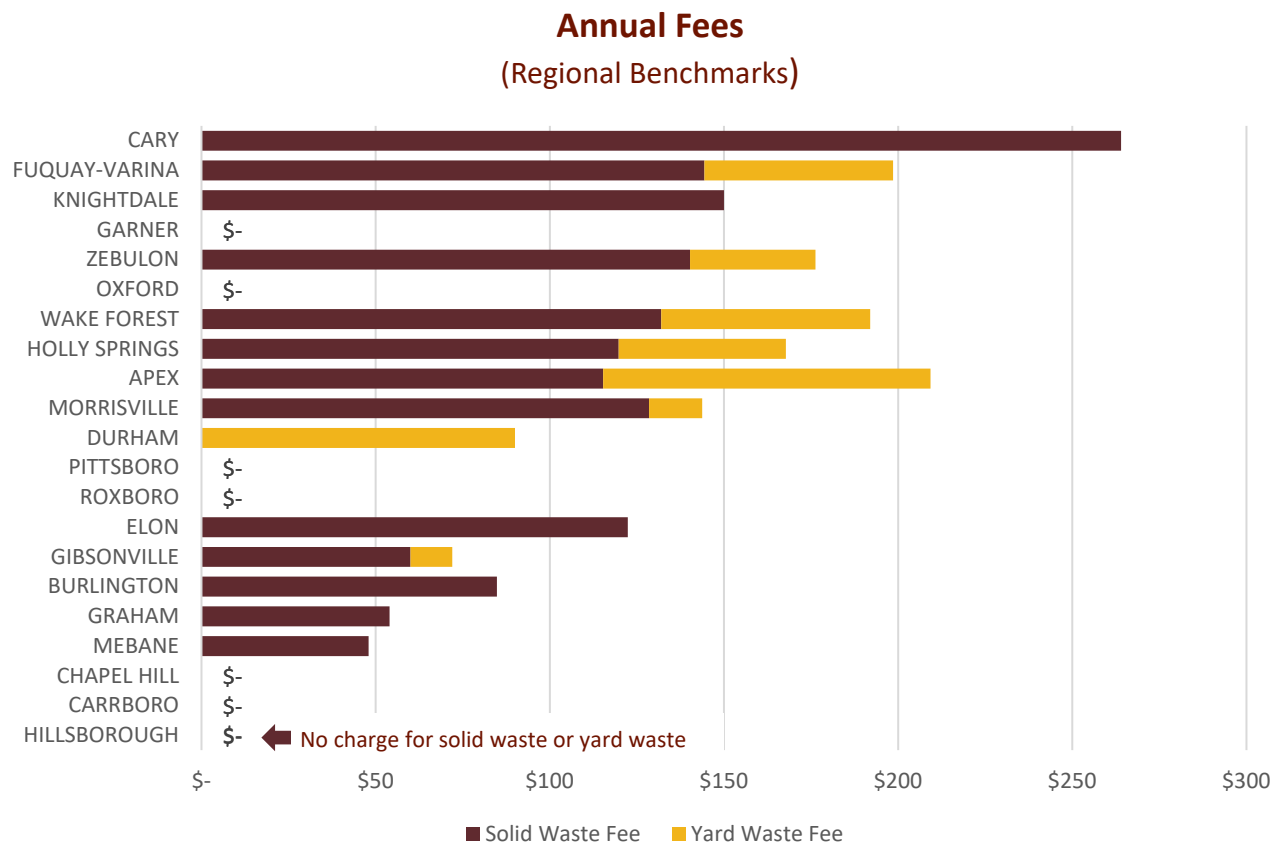


<b>How much would my property bill change?</b>				
<b>Home Value</b>	<b>FY23-24 58.7¢</b>	<b>FY24-25 60.7¢</b>	<b>Monthly Change</b>	<b>Annual Change</b>
\$200,000	\$1,174	\$1,214	\$3.33	\$40
\$300,000	\$1,761	\$1,821	\$5.00	\$60
\$400,000	\$2,348	\$2,428	\$6.66	\$80
\$500,000	\$2,935	\$3,035	\$8.33	\$100
\$600,000	\$3,522	\$3,642	\$10.00	\$120
\$700,000	\$4,107	\$4,249	\$11.83	\$142

### **Solid waste and yard waste collection. No fees**

It's important to note that of the 21 municipalities in the region, Hillsborough is only one of seven that does not charge a user fee for solid waste or yard waste, with these services included in the annual tax rate. The dollar signs next to the municipality in the chart below indicate no additional charge. The North Carolina Department of Environmental Quality administers a solid waste and recycling annual report that includes information reported by municipalities. Of the 551 municipalities in North Carolina that were included in the database, 265 municipalities (48%) assessed a solid waste fee for FY2023. The maximum reported solid waste user fee was \$375. The average user fee was \$80.40 per year, with 56% of the municipalities assessing a fee charging between \$100 and \$199 per year.





#### **Water rates. 7.5% increase**

While the FY25 deficit is \$318,000 with an 8.9% rate increase needed to break even each of the next three years, the reason for recommending a smaller increase is to take a step toward addressing the gap while continuing to pursue options to limit future rate increases. Rate stabilization strategies are discussed below in the Water and Sewer Fund Highlights section.

#### **Sewer rates. 7.5% increase**

While the FY25 deficit is \$86,000 with a 9.7% rate increase needed to break even each of the next three years, the reason for recommending a smaller increase is to take a step toward addressing the gap while continuing pursuing options to limit future rate increases. Rate stabilization strategies are discussed below in the Water and Sewer Fund Highlights section below.

Rate Impact FY23-24 → FY24-25		
How much higher will water and sewer rates be per month after the rate increases?		
	Average Household Consumption 4,000 gallons/month	Minimum Household Consumption 2,000 gallons/month
<b>In-Town</b>		
Water	\$3.20	\$1.60
Sewer	\$4.52	\$2.26
<b>Out-of-Town</b>		
Water	\$6.32	\$3.16
Sewer	\$8.80	\$4.40

### Water and sewer minimum rates.

**Completes the four-year plan to reduce monthly charge from 2,500 to 2,000 gallons.**

Billing data recently analyzed by the consulting firm building the new rate model indicates this adjustment provides savings to about 45% of customers, thus a large number of customers have been and will continue to benefit from this billing change. The town board made the decision during the FY22 budget process to provide relief and a more equitable way of charging low volume customers, who are often on fixed incomes, elderly, or living alone. This builds

on the similar initiative recommended by the Water and Sewer Advisory Committee and approved by the town board that decreased the minimum rate from 3,000 to 2,500 gallons over the four-year period from FY14 to FY17. In addition to providing an incentive for customers in this use category to conserve, the change provided substantial relief to lower volume users. The FY22-25 reductions take the prior FY14-17 efforts a step further. Of the approximately 54% of water systems that use the volumetric charge, as opposed to a base rate, the most typical monthly minimum charges are in the 2,000 to 3,000 per month range. Thus, with the minimum rate decreasing to 2,000, Hillsborough will be at the most equitable end of the range when it comes to this rate method. The table above shows the savings to customers who use 2,000 gallons or less per month:

### **Cost Reduction for Low Volume Users**

#### **Via Minimum Rate Reduction Plan**

	Gal/Month	Gal/Month	Monthly	Annual
<b>In-Town Customer</b>	<b>2,500</b>	<b>2,000</b>	<b>Savings</b>	<b>Savings</b>
Water	\$28.83	\$23.06	\$5.77	\$69.24
Sewer	\$40.55	\$32.44	\$8.11	\$97.32
Total Combined	\$69.38	\$55.50	\$13.88	<b>\$166.56</b>

#### **Out-of-Town Customer**

Water	\$56.22	\$44.97	\$11.25	\$135.00
Sewer	\$79.07	\$63.26	\$15.81	\$189.72
Total Combined	\$135.29	\$108.23	\$27.06	<b>\$324.72</b>

**Stormwater rates. Increasing the stormwater fee's residential tier by \$15 and non-residential tiers proportionally, adding a non-residential tier for properties between 200,001 and 600,000 square feet, and changing the final tier to properties greater than 600,000 square feet.**

This would be the first change in the fee since the Stormwater Fund was created in Fiscal Year 2017. The new tier will effectively lower the stormwater fee for the new Tier 5 properties.

These options were discussed during last year's budget process but deferred one year so more time could be spent examining the needs and resources of the Stormwater Fund. The FY25-27

plan also recommends additional \$15 increases in FY26 and FY27 to the residential property tier for a total of \$45. The town board could choose to phase these increases in a different way, such as all \$45 in one of the years, splitting it (\$22.50) over two years, or other ways.

<b>Stormwater Rates</b>	
Residential Property	\$90
Non-Residential Property	
Tier 1 – 0 to 10,000 sq. ft.	\$180
Tier 2 – 10,001 to 30,000 sq. ft.	\$630
Tier 3 – 30,001 to 100,000 sq. ft.	\$2,070
Tier 4 – 100,001 to 200,000 sq. ft.	\$4,860
<b>New</b> Tier 5 – 200,001 to 600,000 sq. ft.	\$12,870
Tier 6 – 600,001 sq. ft. and above	\$22,500

## **General Fund Highlights**

### **Financial Overview**

As is often the case, the budget and three-year financial plan projects deficits due to being conservative on revenue projections and cautious on expenditure amounts. After the audit, most years end up with deficits less than projected or with an actual surplus generated. With that said, the projected deficits in the General Fund are large

enough to give staff concern and thus it's important to discuss expansion items during the budget workshop(s) to ensure they align with the town board's priorities and assessment of Hillsborough's needs. It may be that some requests need to be deferred or alternatives found to scale back. The projected deficits over the next three years are as follows:

- FY25 - \$1,013,884 (5.0% deficit)\*
- FY26 - \$912,629, (5.1% deficit)
- FY27 - \$1,381,908 (7.8% deficit)

\* The actual FY25 deficit is \$3,222,884 or 16% due to likely paying for the entire Public Works Relocation project with cash, instead of debt financing but that is a decision the town board will have to make. The \$1,013,884 (5.0%) deficit figure above represents a more accurate figure once this large capital project is removed.

The following are a few points to consider when weighing the approach to this budget and financial plan (i.e., what is an appropriate deficit level):

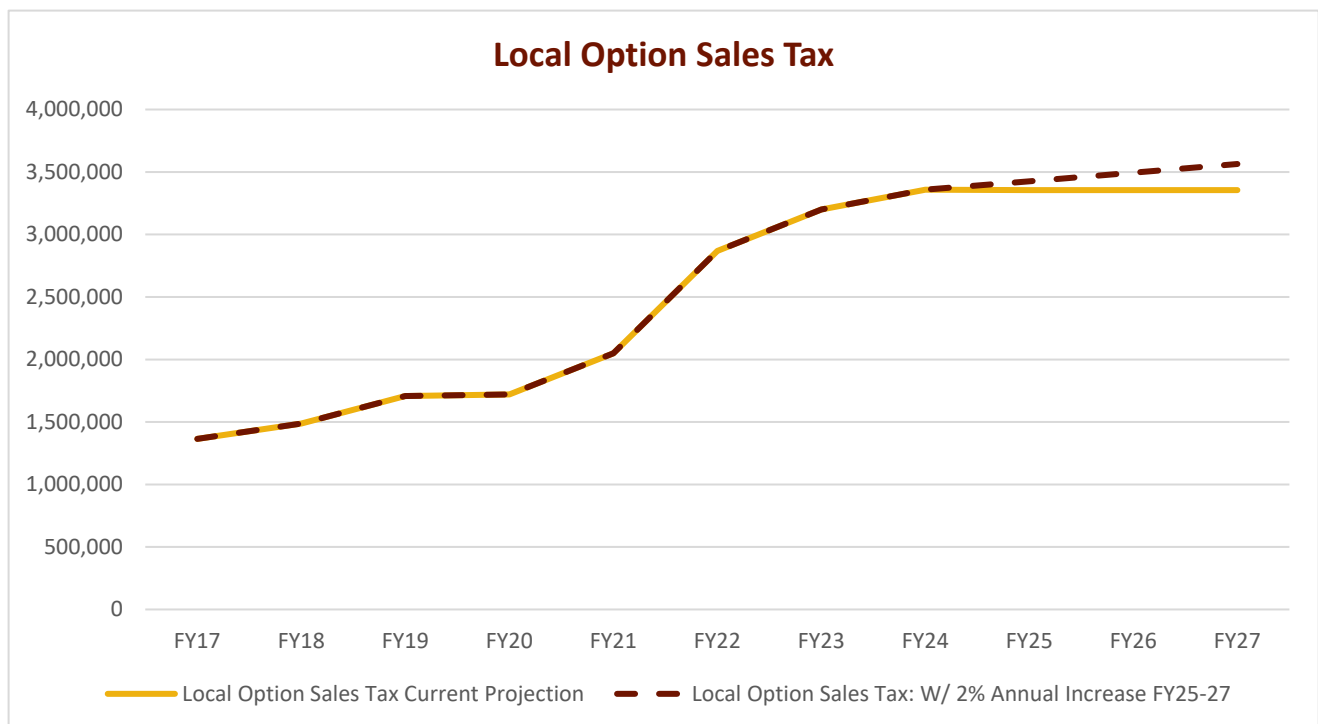
- ✓ Addressing priorities strains the budget. A wide variety of needs, priorities, and interests have been added to the budget in recent years - that trend continues with this proposed FY25-27 plan. The chart below shows some of the major initiatives included in the plan, their projected annualized costs, and their cost equivalent in terms of cents on the property tax rate. These projects represent the equivalent of about 18.12 cents on the tax rate. Thanks to recent growth and a few strong years of sales tax, the budget has been able to absorb some of these costs and other additions. But the General Fund can only absorb so much before additional revenue must be raised or significant cuts made in other areas. Property tax is the only revenue source the town can adjust that generates a substantive amount of revenue.

This is the reason tax rate increases are proposed for the next two years: two cents in FY25 and another two cents in FY26 to cover the town's affordable housing commitment. Still, that's only four cents compared to the 18.12 cent impact listed below. It's possible that greater increases may be needed, but the recommendation is to start with minimal increases and pursue other strategies to balance the budget. Another revenue option would be to start assessing a solid waste fee like many other jurisdictions do, but the preference for many years has been to include these costs within the property tax and overall General Fund revenues.

<b>Project</b>	<b>Annual Cost</b>	<b>Tax Rate Equivalent (in cents)</b>
NC-86 Facility Renovation	\$434,000*	2.71
Affordable Housing	320,000	2.00
Train Station	162,000	1.01
Fire Personnel Expansion	114,000	0.71
Fire Station	300,000	1.88
Ridgewalk Greenway	583,000	3.64
Police Social Worker	80,000	0.50
Accounting Software	100,000	0.63
Police Vehicle Replacement Fund	225,000	1.41
Streets Vehicle Replacement Fund	81,000	0.51
Solid Waste Vehicle Replacement Fund	335,000	2.09
Market Pay Adjustments	165,000	1.03
	<b>Total</b>	<b>18.12 cents</b>

\* Reflects annual debt service if project were debt financed. Budget assumes paying for the project using cash.

- ✓ Fund balance level strong. Even with higher than preferred deficits, the fund balance at the end of FY27, or Year 3 of the Financial Plan, is 36.5%. The goal is to not allow the savings level to drop that low, thus work needs to be done to reduce these deficits each year. Savings accrued during the COVID years provide a little cushion to use fund balance to address some high priority needs and provide a small window of time to make adjustments to maintain a strong fiscal position.
- ✓ Future growth should bring additional revenue, but when? There are still about 877 residential units that have been approved but have not yet started construction in town (see the chart later in this message). Plus, there are other proposed developments seeking approval from the town board (e.g., Waterstone South at about 650 units). At some point the Daniel Boone property will be redeveloped and that could provide a substantive revenue boost, but no plans have been submitted and that's likely years away from happening. The recent slowdown in new home construction makes it hard to predict when these units will come online. Minimizing new expenses related to serving these projects via absorbing with current assets and staff can provide resources to pay for portions of longer term and expensive projects that are in the Capital Improvement Plan. Even after new units are occupied, there is a delay before they start paying property taxes, thus we are still several years out from getting another influx of revenue to help with pressure on the budget.
- ✓ Sales tax slow down. Little growth is projected during the three-year plan. If the economy performs a bit better than projected, a small improvement can be a big help in reducing deficits. Sales tax is a volatile and elastic revenue source with a high sensitivity to economic conditions. Currently, the local option sales tax budget of \$3,026,000 in FY24 is on pace to be met and exceeded with a total estimated collection of \$3,358,404. A decision was made last year in the FY24-26 budget to freeze future years' sales tax projections and not project year-over-year growth due to signs that consumer spending may be slowing down. The same approach is implemented in the FY25-27 budget with a slightly higher new estimate of \$3,355,000 collected in each of those three fiscal years. Budget staff are most comfortable with the current approach to sales tax projection due to continued concerns about slowed growth. However, FY25-27 projections could be increased no higher than 2% year-over-year preferably. Even with this revenue adjustment, there will only be marginal improvements to budget deficits.





## Noteworthy Expenses

- ✓ Passenger Rail/Multi-Modal Station (\$10.4 million). Approximately \$8.2 million comes from the State Transportation Improvement Program (TIP), NCDOT Rail TIP, and Transit Tax. The town will be responsible for any costs over that amount and for the cost of the town offices. Construction is anticipated to start in approximately 2025 and to be completed by February 2028.
- ✓ Ridgewalk Greenway Phase I & II Design. FY25 includes \$325,000 to continue design for Phase 1 (downtown to train station) and Phase II (train station to Collins Ridge Greenway). Phase III would extend from the Collins Ridge Greenway over I-85 to Cates Creek Park in Waterstone.
- ✓ Ridgewalk Greenway Phase 1 – “Ramp-up” Savings Plan to Pay for the Project. This started by including \$50,000 in the FY24 budget, then increases by an additional \$50,000 annually over seven years to “ramp up” to reach the amount needed to make the estimated yearly debt service payments of \$582,771, over 10 years for this projected \$4.5 million project expected to be completed in FY30. The “ramp up” only generates \$350,000 of annual debt service capacity. The remaining amount will be offset by reserved parks debt capacity of \$232,355. Banked funds can be used to offset project costs (e.g., lower the amount that needs to be borrowed, pay for cost escalations, and/or cover debt payments until full coverage is met).
- ✓ Affordable Housing. Last year, the board agreed to the “ramp-up” plan where annual spending is increased in this area annually until meeting the equivalent of two cents on the property tax rate, or about \$326,000 in FY27. At this year’s budget retreat, the board discussed staying with the previously adopted ramp-up plan. That increases the FY25 set aside from \$100,000 to \$175,000, then \$250,000 in FY26 and finally \$326,000 in FY27. (Note that FY26 and FY27 equivalent amounts may change due to the countywide revaluation occurring next summer). See the chart below for details. The board and staff plan to complete a series of affordable housing workshops over the next year, building towards a comprehensive affordable housing plan. As such, the recommended budget does not include a use for the FY25 funding or accumulated FY24 funds.

<b>Ramp Up to 2 Cents for Affordable Housing</b>						
	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Community Home Trust	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
HOME Funds Match	\$4,200	\$6,486	\$6,281	\$6,281	\$6,281	\$6,281
OC Partnership to End Homelessness	\$15,788	\$59,080	\$61,128	\$39,852	\$39,852	\$39,852
Subtotal, Current Commitments	\$22,488	\$68,066	\$69,909	\$48,633	\$48,633	\$48,633
Ramp-up Funds	\$22,488	\$68,066	\$100,000	\$175,000	\$250,000	\$326,000
<b>Remaining Funds for Housing (New and Preservation)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,884</b>	<b>\$126,367</b>	<b>\$201,367</b>	<b>\$271,367</b>
<b>Cumulative Housing Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,884</b>	<b>\$159,251</b>	<b>\$360,618</b>	<b>\$631,985</b>

- ✓ Public Works facility and relocation (\$4.85 million). After being in the flood plain, in substandard facilities, with no equipment shelters, and little storage for about 50 years, funds are allocated to move the Public Works Division from their Dimmock’s Mill Road location to the NC 86 North facility. If a 15-year loan was used to pay for the project, annual debt payments would be approximately \$434,000. Instead of borrowing money to construct this facility, a combination of savings from fund balance and operating revenue (\$3,821,000) and reallocation of the reimbursement from the Valley Forge Road bridge repair (\$1,029,000) are being used to pay for this project. Paying cash for the project has several big advantages: 1) avoid the annual impact of \$434,000 on future budgets, thus freeing up capacity to fund other needs or avoid/reduce future tax increases, and 2) save additional funds by avoiding a loan at a time when interest rates are high.
- ✓ Additional Firefighters. The fire protection contract with Orange Rural Fire Department (ORFD) increases by 6.75% to cover inflationary pressures and other operational needs. The contract increases an additional \$63,292 in FY25 to share the cost of adding four firefighters projected to be added five months into the fiscal year. The

full impact of those additions will be \$113,925 in FY26. Additional firefighters are needed to help ORFD have sufficient staff on the firegrounds, as well as coverage when multiple calls occur simultaneously (e.g., first responder calls for EMS and rescues).

- ✓ Downtown fire station: 1) Continue “ramp-up” savings plan (\$300,000) and 2) Preliminary Design/Site Analysis (\$75,000). The town is responsible for building and paying for the new downtown station at 604/618 North Churton Street, the old furniture store site. The new downtown station is estimated to cost \$8 million. Funds were included for the first time in FY22 (\$75,000) and increased by \$75,000 annually to “ramp up” to the eventual annual debt service amount. FY23 included \$150,000, \$225,000 in the FY24 budget, \$300,000 in FY25, \$375,000 in FY26, \$450,000 in FY27, and \$525,000 in FY28, which should be close to the anticipated annual payments going forward. These funds are being placed in a capital project fund to help pay for design costs first, decrease the loan amount, and provide a funding source for the annual debt. “Ramping up” to the annual debt service amount prevents other items from crowding out the ability to pay for this top priority. Relocating the old fire station provides a modern facility for ORFD, improves overall coverage and allows the current station and downtown property to be redeveloped as part of a future economic development project.

The FY25 budget includes \$75,000 to pay for preliminary design/site analysis. The cost of fire stations has grown rapidly in recent years. The analysis will help provide a likely cost range to better refine budget projections and financing options, as well as confirming what sitework and adjustments may be needed to make the current site work for the station.

- ✓ Fairview Community Watch. \$45,000 for building improvements in FY25 and \$10,000 annually for operations.
- ✓ Transit Oriented Development Plan/Feasibility Study for Hillsborough Station (\$75,000).
- ✓ Code enforcement. Hire a contractor to increase monitoring and enforcement to manage nuisance properties and other issues throughout town: \$60,000 in FY25, then \$50,000 annually after that.
- ✓ Additional recycling amenities at parks (\$30,600).
- ✓ LED Streetlights (\$30,000). Transition the remaining non-LED fixtures to LED to meet the town standard and reduce overall energy consumption by an estimated 11,000 KWH/month. The new streetlights will also provide a more consistent light pattern at night, making town roads safer for the travelling public.
- ✓ Police Department
  - Live-scan fingerprint machine (\$15,000)
  - Radio replacements, required for compliance (\$82,000)
  - Replace in-car cameras (FY26 - \$100,000; FY27 - \$100,000)
  - Vehicle replacement fund, annual contribution to smooth purchases (\$225,000).
  - FY25 includes replacement of four vehicles that will all be 16-20 years old.
- ✓ Public Works
  - Street repaving: \$882,500
  - Solid waste vehicle/equipment replacement fund (FY25 - \$190,000, FY26 - \$190,000, FY27 - \$135,000).
  - FY25: leaf truck replacement (\$376,506)
  - FY26: garbage truck replacement (\$362,006), knuckle boom truck replacement (\$227,006)
  - Replace truck in the streets division (\$69,106)
  - Replace mobile electric cart (\$23,000)
  - Snowplow blade replacement (\$10,000)

## **Cost Reduction Strategies**

- ✓ No staffing additions for the General Fund (FYs25-27). While all departments have struggled to keep up with the workload in recent years, as a cost containment effort due to projected deficits, the manager requested departments try to develop their budgets with no new personnel. There may be situations that warrant adding

positions over the next three years, but the goal is to add no permanent positions during this time. Two notes: the Stormwater Fund is paying for a position in Year 2 of the plan (FY26) so increased maintenance can be done on drainage systems throughout town. This has become a priority as more intense rain events are taxing ditches, drains, and culverts. The position would be located in public works but paid for by the Stormwater Fund. Grant funding for the social worker added to the police department in FY24 position ends in FY25, but funding is included to continue this position in FY26 as early indications are that this expertise has been a helpful resource for the officers as well as members of our community who are in distress.

- ✓ Public Works Relocation to Old NC86 North Facility – Use of Cash Reserves to Avoid Debt. This was discussed in the project summary above.
- ✓ Eliminated “ramp-up” savings to construct new police department building. One notable cut to the list of capital projects was to remove the “ramp-up” savings plan for a new police headquarters. While this was not taken lightly, the finances just cannot take any more strain, especially with the cost likely being in the \$10 million range. Fortunately, significant refurbishments have been made to the current Churton Street headquarters building and the Police Department Annex that’s next door. Thus, those facilities should be sufficient for operations until funding becomes available for long-term plans. The \$100,000 that had been saved is now being used to make repairs at the headquarters, including expensive repairs to the elevator.
- ✓ Use freed debt capacity due to paying off loans on Riverwalk/Gold Park and Riverwalk Phases II and III for Ridgewalk. While this is only a fraction of the anticipated debt for Ridgewalk, about 40%, it still provides a substantive amount of funding to direct towards the annual debt payments.

## Water and Sewer Fund Highlights

### Financial Overview

Please see pages 150 and 151 of the budget that shows the breakdown of deficits in more detail, separated by water and sewer operations. Deficits in the Water and Sewer Fund are significant, especially given the large capital projects coming online in the next few years, and thus a key reason for the proposed rate increases. It’s important to note the deficits are projected even with spending a large amount of one-time revenues from grants, system development fees, savings, and other sources. Staff will continue refining the schedule of capital projects to look for further opportunities to defer implementation, where practical and given risk level (e.g., sewage spills, system outages, development moratoriums, and other), to spread costs out to limit the impact on rates. As stated later in this section, staff has already deferred millions of dollars in high priority projects. Finding ways to best leverage our resources and schedule projects to minimize rate increases is a focus of the rate model that’s nearing completion. The following are current deficit projections that include the projected rate increases:

- FY25 - \$403,988 (3.0% deficit)
- FY26 - \$249,890 (1.8% deficit)
- FY27 - \$710,507 (4.8% deficit)

These projected deficits need to be addressed to maintain a strong fiscal position. The fund cannot afford to risk having key financial metrics and ratios falling behind industry standards as well as to ensure we meet requirements from the Series 2018 and 2020 Revenue Bonds issued to pay for the reservoir expansion. The bond covenants provide non-negotiable standards for funding levels to provide adequate capacity to make debt payments and remain fiscally sound. If those standards are not met, then the Trustee for the bondholders and/or the Local Government Commission has the right to compel the increasing of our rates to whatever level is needed to meet the various bond coverage ratios. In addition, even getting close to key metrics would have a negative impact on our bond rating and thus make future borrowings more expensive and difficult.

## Rates are already high, why are they going up again?

Most who have lived in Hillsborough for a while are familiar with the unique challenges Hillsborough's water and sewer systems must contend with: 1) high debt levels to pay for the reservoir expansion, wastewater plant upgrade, water tank at Waterstone, and other expensive system needs, 2) stringent Falls Lake Rules, some of the tightest in the country that escalated the wastewater plant upgrade costs as well as limiting the feasibility of future expansion, 3) costs of maintaining 25 sewage pump stations, 4) small systems find it hard to benefit from economies of scale, thus the reason many small units get absorbed by larger cities utilities, 5) aging assets, many near 50 years old and up to 100 years, need to be repaired or replaced, and 6) new growth is putting pressure to spend money on certain upgrades before there are enough new customers to help spread the costs and minimize rate increases.

Some of these issues were already embedded in the budget and thus not new, such as debt on already constructed assets. Inflation has increased costs across the board and the utilities industry nationally is seeing higher annual increases just to keep pace with daily and annual operations. In addition to the tens of millions of dollars required over the next seven years to replace aging pipes, pumps, systems, and tanks, there is also a deficit when it comes to funding the "continuation budget" or those items needed to carry daily operations, as well as projects already in the pipeline. Some of the reasons for the projected deficits and need to increase rates include:


- ✓ Decreased usage. While the number of residential accounts increased by 472 (about eight percent) between 2019 and 2023, total consumption decreased during that time. Usage has ebbed and flowed but has generally been trending downward. In 2023, less water was billed than in 2019 in all but one class, and that one was flat.

This could also explain why the 6% rate increases in FY24 are only generating about 2-3% additional revenue. This is an indicator that growth is not likely to help as much as expected with mitigating rate increases, especially given the slowdown in new development.

- ✓ Annual revenue lost (approximately \$520,000) from lowering the minimal monthly rate charge from 2,500 to 2,000 gallons per month. While this initiative provides substantial savings to low volume users and provides a more equitable charge methodology, the rate model estimates this billing change will cost about \$115,000 of revenue for the last of four reductions in FY25. When coupled with the three prior fiscal year reduction this equates to about \$520,000 in lost annual revenue. This revenue loss continues every year going forward.
- ✓ Construction "slow down." The effects of inflation, increases in building material costs, labor shortages, and high interest rates have put the brakes on new residential development, even on developments that have already received approval. The chart below shows that all but 45 approved units that are under construction have been completed. Another 76 from Collins Ridge 1B could start in the near future. From discussions with the development community our staff has heard that investors are waiting for the federal government to drop the interest rate, so the construction industry has also turned into a waiting game. Everyone is getting their projects shovel ready and then just waiting. This stall means fewer new units are available to help share with the cost of operating the system.

Even if there is a "groundbreaking" today on a new development, it's roughly a year out before a residence will be constructed, receive a certificate of occupancy, then start paying water/sewer bills. Thus, it's likely to be at least two to three more years before we see a noticeable increase in accounts that can provide relief as contributing rate payers. The good news is there are 877 units approved but have not yet started construction (e.g., Collins Ridge apartments, Collins Ridge Phase 2 (single-family and townhomes), East Village at Meadowlands, and Persimmon (apartments and townhomes). Having these units completed and connected to the system can be a significant help, but there is no way to accurately project when that will occur, as well as other developments going through the approval process, such as Waterstone South.



Approved & Under Construction						
<u>Project name</u>	<u>Approved units</u>	<u>Permitted</u>	<u>Completed</u>	<u>Approved, not complete</u>	<u>Permits remaining</u>	<u>Under construction</u>
Collins Ridge						
Phase 1A-1 - sfd	59	59	59	0	0	0
Phase 1A-2 - townhome	89	89	89	0	0	0
Phase 1A-3 - sfd	36	36	36	0	0	0
Phase 1A-4 - townhome	16	16	16	0	0	0
Phase 1A-5 - sfd	13	13	11	2	0	2
Phase 1A-5 - townhome	21	21	21	0	0	0
Phase 1B	76	0	0			
Fiori Hill	46	46	46	0	0	0
Forest Ridge	235	235	235	0	0	0
<b>Total</b>	<b>591</b>	<b>515</b>	<b>513</b>	<b>2</b>	<b>76</b>	<b>2</b>
Misc. infill lots	na	202	157	na	Not yet completed	<b>45</b>
Approved, Not Under Construction (In the Pipeline)						
<u>Project name</u>	<u>Units</u>	<u>Type</u>				
Collins Ridge Pod D	326	Apartments				
Collins Ridge Phase 2	51	Townhomes				
Collins Ridge Phase 2	79	Single Family				
East Village at Meadowlands	75	Townhomes (Habitat)				
Moren Tract- Beach Co- Persimmon	30	Townhomes (Rental)				
Moren Tract- Beach Co- Persimmon	316	Apartments				
<b>Not yet under construction</b>	<b>877</b>	 <b>Potential units, no estimated start dates.</b>				

- ✓ Cost escalations and inflation. This has impacted line items across all utility operations from chemicals, equipment costs, contractors, supplies and materials such as pipes/valves, and market rate salary adjustments to retain and recruit skilled staff.
- ✓ Significant system rehabilitation projects and overdue upgrades. The number and cost of highly expensive projects needed to address system needs now is more than the fund can afford; plus, it's more than staff can manage at one time. Thus, difficult decisions have been made to defer high priority needs, such as further delaying the replacement of the 90-year-old Hasell Street water tank and 50-year fragile asbestos concrete water lines. The focus is starting with the needs that exist at the "core" of our system, such as replacing the sewer interceptors along the Eno River and the River Pump station. In most cases, these assets affect all system users, even in new developments located on the edge of the service area. Taking care of the "core" assets must be done first, before spending funds to accommodate new development via projects like upsizing the Cates Creek Outfall and Elizabeth Brady Road Sewer Pump Station.

Not keeping pace with replacement of assets, referred to as depreciation, is a common flaw with utility systems where maintenance and replacement of assets is delayed to avoid rate increases. It's typical that utility systems won't even replace 1-2% of their assets annually. This means the catch-up gets expensive. This is a national problem and a primary reason why the American Society of Civil Engineer's report cards for water and sewer systems are so poor across the country. While Hillsborough has emphasized "taking care of what we have," it's not been done to the levels needed as evidenced by prior UNC Environmental Finance Center financial metrics in which Hillsborough has traditionally been in the "yellow" or caution zone, which is better than red but not in the desired green. While Hillsborough is likely far better than most in this area, at approximately 36%, asset replacement is not nearly where it needs to be. Thus, more must be invested in system maintenance.

✓ Projected deficits.

- Water. Continuation budget is running a \$810k/yr deficit (Breakeven rate = 4.44%/yr). The CIP changes smoothed out the Continuation + Expansion deficits to \$1.2M for all 3 years (previously yr-2 spiked to \$3.6M). Breakeven rate for Continuation + Expansion = 8.90%/yr
- Sewer. Continuation budget is running a \$300k/yr deficit (Breakeven rate = 2.16%/yr). The Continuation + Expansion deficits are \$500K in year-1, \$718K in year-2 and \$1.8M in year-3 = 9.71%/yr
- The water and sewer Continuation + Expansion deficits are \$1.2M in year-1, \$2M in year-2 and \$3.4M in year-3.
- Breakeven rate for water and sewer Continuation + Expansion = 9.30%/yr

Even if rates are increased to the “break-even” figures listed above, the budget still does not have the capacity to fund many of the projects to replace/update Hillsborough’s aging assets. Once the one-time revenues, savings, and grants are spent, there will be no way to pay for these needs.

✓ Maintaining financial health and complying with bond covenant requirements.

- To maintain the town’s bond rating and meet bond covenants, the town must maintain a debt coverage ratio of at least 1.00. This metric is an indicator of whether the town’s operating revenue (i.e. rates) are sufficient to cover annual debt obligations. Even with 7.5%/yr rate increases, the projected debt coverage ratio is at the bare minimum in years 1 and 2 at 1.00 and 1.01 respectively, increasing slightly to 1.13 in year-3. The industry standard is 1.20.
- Days of cash on hand is another key metric in determining the town’s ability to meet short-term obligations. Days of cash on hand is projected to be below the industry standard of 365 days in all three years, at 363 in year-1, dropping to 345 in year-2, and then 323 in year-3, even with 7.5%/yr rate increases.
- Steps will need to be taken to ensure the town continues to not only meet minimum requirements but improve the financial condition to be more in line with industry standards.

## **Major expenses**

- ✓ Main console replacement at the water plant (\$100,000): FY25
- ✓ Sewer lift station abandonment analysis (\$95,000): FY25
- ✓ Water system rehabilitation for larger repairs that require contractor assistance (\$110,000 annually)
- ✓ Wastewater system rehabilitation for larger repairs that require contractor assistance (\$110,000 annually)
- ✓ Water plant generator replacement (\$350,000): FY26
- ✓ Adron Thompson operational facility (\$7,295,600): FY24 and FY25. Debt service begins in FY26 with a half-payment of \$249,848, the starting full payments of \$499,696 in FY27.
- ✓ Lawndale sewer basin rehabilitation project (\$1.2 million): FY25.
- ✓ Wastewater collection system rehabilitation projects (\$1.0 million): \$500,000 in FY25 and \$500,000 in FY27
- ✓ Eno River sewer interceptors (\$5.05 million): FY26
- ✓ Exchange Club sewer interceptors (\$1.29 million): FY26
- ✓ Elizabeth Brady Pump Station design (\$400,000): FY27
- ✓ Water system master plan annual improvements (\$400,000): FY27

## Ten Strategies for Long-term Stabilization of Water and Sewer Rates

1. **Use reserve funds, a portion of available savings and other one-time revenues to pay for long-term capital needs.** This strategy minimizes future debt services payments and reduces pressure on future budgets.
2. **Use system development fees (SDF) strategically.** Accrue and save SDFs until there is enough to pay for a capital project or reduce the amount borrowed to a manageable amount.
3. **Delay and eliminate projects where practical.** Over \$23.5 million worth of capital projects were deferred in this budget process.
4. **Leverage assistance from national experts in utility financing.** Working with leading consultant on a rate model to better analyze and explore options to minimize rate impacts. This model is also intended to help find ways to address most important needs.
5. **Gain increased economies of scale through new development.** Addition of new customers in parts of the system that can accommodate water and sewer capacity can provide a large base of accounts to share cost burden of paying for system's operations.
6. **Limit staff additions.** Staffing is one of the most expensive parts of a business, thus, limiting personnel-related expenses is an important cost containment strategy.
7. **Re-evaluate interfund cost allocations.** Budget staff analyzing cost allocations to evaluate whether adjustments are needed to how Water and Sewer Fund contributes to shared services with the General Fund.
8. **Reduce service areas.** A smaller service area allows for more compact and cost-effective service provision and limits growth that would necessitate expansion of utilities plants.
9. **Reduce inflow and infiltration into the sewer system.** Reduces the loads and risk of exceeding wastewater collection and treatment capacity.
10. **Consider updating system development fee cost analysis.** While Hillsborough just updated these fees, proposed new developments are placing additional cost pressure to add or accelerate capital projects to serve some areas of town.

*Note: The document that follows the budget message includes more detail on each strategy.*

## Stormwater Fund Highlights

- ✓ Program Updates. During FY24, the town completed its first ever state stormwater program audit and received approval of an updated Stormwater Master Plan, and receipt of a new stormwater permit is expected early in FY25. Audit recommendations that were included in the updated Master Plan include updated written procedures, expanded public input processes and additional outreach and expanded efforts for illicit discharge control, construction site runoff and pollution prevention.
- ✓ Infrastructure Maintenance. Improved levels of service and updated permit requirements will require additional investments in personnel, equipment and a stormwater capital improvement plan (CIP) to plan for large projects, such as a culvert replacement on Elizabeth Brady Road. The FY25-27 recommended budget includes ramp-up funds for a stormwater CIP and an additional Public Works employee (FY26). The requested Jet-Vac truck is not able to be funded in the recommended budget.

- ✓ Planning Ahead. While the Stormwater Fund currently has a healthy fund balance, the approval of a new Stormwater Technician position in FY24, along with the recommended investments in the FY25-27 budget and overall operating cost increases will rapidly deplete that fund balance without fee adjustments. Additionally, just beyond the “visual horizon” of the FY25-27 budget, the Stormwater Fund may need to make a sizable contribution to the Ridgewalk Greenway project for drainage-related improvements.

## Employees

- ✓ Merit Pay and Cost of Living Adjustment (COLA). Compensation and staying competitive with the market continue to be a major challenge for all employers, regardless of sector in the economy. The budget recommends the same adjustments as FY24: \$1,500 per employee COLA and merit raises in the 3.0 – 5.0% range depending on performance.
- ✓ Health insurance. There are no cost increases for the town’s health insurance coverage this year, and the cost of dependent coverage is decreasing.

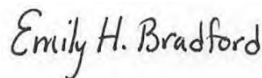
## Moving Forward

For the reasons covered in this message, changes to this proposed budget are expected during the review process, as well as during FY25 as new information becomes available and conditions change. Therefore, please do not hesitate to contact me, Budget Director Emily Bradford ([Emily.bradford@hillsboroughnc.gov](mailto:Emily.bradford@hillsboroughnc.gov) or 919-296-9427), Budget & Management Analyst Josh Fernandez ([josh.fernandez@hillsboroughnc.gov](mailto:josh.fernandez@hillsboroughnc.gov) or 919-296-9428), or Administrative Services Director Jen Della Valle ([jen.dellavalle@hillsboroughnc.gov](mailto:jen.dellavalle@hillsboroughnc.gov) or 919-296-9424) if you need additional information, have suggestions, concerns, or would like to propose alternatives, Town staff will make every effort to respond quickly and objectively to help you develop a budget that you feel best addresses the needs of the community! Finally, a big “thank you” goes to all town employees, department and division heads, and the budget team for their work in preparing this year’s document!

Sincerely,



Eric J. Peterson  
Town Manager



Emily H. Bradford  
Budget Director



Jen Della Valle  
Administrative Services Director

## Ten Strategies for Long-term Stabilization of Water and Sewer Rates

1. **Use reserve funds, a portion available savings, and other one-time revenues to pay for long-term capital needs.** Paying cash for capital needs, when the opportunities present themselves, minimizes future debt service payments and reduces pressure on future budgets. If a capital item or project can't be entirely paid for with these types of funds, it can still reduce the amount that must be borrowed. Given high interest rates, whenever cash can be used to pay for projects, it helps the fund over the long term. It can be tempting to use "one-time revenues" as a short-term fix to reduce operating deficits, but once that money is gone the deficits are even larger and the opportunity to invest in long-term capital projects has been lost. Thus, one-time revenues, capital reserve funds, and reserves earmarked funds are best used for larger capital expenses and projects. The following list includes the one-time revenues being recommended for use in this financial plan:
  - a. **Cash, Reserves, and One time funding sources being leveraged to pay capital needs in FY25-27 - Growth** is a double-edged sword – it places additional pressure and costs on the system, but also brings additional revenues in the form of monthly revenues and System Development Fees (SDFs) to assist in paying for their impact on system capacities.
    - Water – SDF's (collected): *\$886,000* for US-70 water improvement project.
    - Sewer – SDF's (collected): *\$1.1 Million* for collection system rehab.
    - Sewer – Capital Facility Fees: *\$630,000* for wastewater collection system rehab and *\$625,000* for US-70 water improvement project.
    - Water & Sewer – SDFs (projected): The timing of receiving future fees is always difficult as it's dependent on the schedule of developments that often change. Future receipt of these revenues will be used to help pay for major capital projects but are not incorporated into this financial plan. SDFs will be factored into the new Capital Financing Plan that staff will start to work on this summer.
    - Building Resilient Infrastructure and Communities (BRIC) Grant - *\$5.81 million* for the River Pump Station. Covers 70% of the project cost based on current construction estimates.
    - Building Resilient Infrastructure and Communities (BRIC) Grant or STAG Grant - *\$1.01 million* for the OWASA water booster pump station. Covers 70-80% of project cost based on construction estimates.
    - Perpetual Maintenance Fees: *\$66,000* to help pay for wastewater collection system rehab.
    - AIA (Grants from the State of N.C.) - *\$170,000* for Hasell Street Water Tank and US-70 Waterline Preliminary Technical Memos, Water System Master Planning.
    - Retained earnings (savings). As staff works on the Capital Financing Plan this summer and updates the key financial metrics, such as operating and various debt ratios, depreciation coverage, days of cash on hand, and others, there will be recommendations on how much savings can be used to pay for projects. In the meantime, savings are being used temporarily to cover projected deficits in FY25 and beyond.
2. **System development fee (SDF) usage strategy.** These fees are collected when new connections are made to the system. Fees are proportional to the cost the new connection is projected to have on the capital facilities or their share of the impact on the system's capacity (e.g., plants, reservoir, pumping stations, mains, etc.). Sizeable projects are planned for Hillsborough that will eventually generate millions of dollars to help pay for some of the expensive projects. Unfortunately, it's difficult to predict when these fees will be paid since developments often pause, change, or get cancelled. It's risky to rely on an unpredictable revenue source to pay for projects scheduled over the next few years. To make sure the financial plan includes this potentially sizeable source of funding, yet limiting risk, the following approach is being used: accrue and save SDFs until there is enough "in the bank" before proceeding with certain projects. Here are a few examples:

- ✓ Wait to proceed on a project, such as the Highway 70A Business water line replacement & upsizing, Hassell Street water tank replacement, Cates Creeks Sewer Outfall, Elizabeth Brady pumping station, or others, until there is enough to either completely pay for the project or reduce the amount borrowed to a manageable amount.
- ✓ Pay for cost overruns preventing high priority projects from moving forward. For example, if bids for River Pump or something else come in higher than we have funding for, then SDFs could be used to fill the gap.

This flexible approach allows the timing to be adjusted (done earlier or delayed longer) depending on when enough funds are accrued to allow the project to move proceed. This protects the budget and thus rate payers from further expenses, prevents or minimizes debt load, helps meet key financial metrics such as debt coverage ratio, and prevents key operational needs from being crowded out.

3. **Delay and eliminate projects where practical.** The following are some large projects deferred in this budget process:

- a. **Hillsborough Station sewer pump station (\$725,000)** large enough to accommodate future development at the 20-acre project surrounding the train station. This is considered an economic development and affordable housing priority, but the project was eliminated from the budget and CIP. Funding will have to be paid for by future developers of the land. A small pump station will be included in the train station design to accommodate that facility.
- b. **Cates Creek Outfall upgrade (\$8.1 million)** to serve current land in the southern parts of town near I-40.
- c. **Elizabeth Brady Road Pump Station upgrade (\$4.5 million)** to serve development in the southern part of town.
- d. **Hasell Street water tank replacement - \$3.7 million** (90 years old)
- e. **US-70A Business Water Line Improvements (\$3.0 million)** to replace fragile asbestos-concrete lines that supply emergency water from Durham, and to improve pressure in the central zone.
- f. **Eno River West Sewer Interceptor Upgrade - \$2.1 million** (100 years old)
- g. **Fire hydrant and valve replacement project in oldest parts of town - \$545,000** (many units are 90 years old)
- h. **Water system improvements (\$800,000)** recommended by the recently completed Water System Master Plan The plan was to start spending \$400,000 annually to address system-wide needs. This initiative is now delayed three years and will start in FY27.
- i. **Water plant expansion** was eliminated from the CIP, even preliminary planning. If additional water is needed to meet peak day demand in the future, then it will need to be purchased from neighboring utilities. There is not a specific estimate for the project, but it would likely exceed **\$10 million**. Any increase in water plant capacity or even outside purchases could necessitate a far costlier expansion to the wastewater treatment plant, thus the rationale for the cut.

4. **Assistance from national experts in utility financing and new finance and rate models currently being built.** *Raftelis*, a national leader in advising water and sewer utilities on ways to maximize resources and financial management, is nearing completion of the model for the town. The “rate model” combines the town’s three-year budget, multi-year CIP, multi-year forecasts for all expenses, revenues, and other key financial data to better analyze and explore options to minimize rate impacts. The model is also a capital financing plan that will help find ways to move forward with addressing the most important system needs as well as daily operations. The model will be reviewed by *Davenport Public Finance*, who specialize in assisting local governments to find the best way to maximize their funds via managing their financial assets (e.g., when/how to spend cash, issue debt, debt timing, what type of instrument to borrow funds, such as revenue bonds, installment-purchase, or others). Finally, the model provides industry standard metrics to show the impact of decisions on the system’s



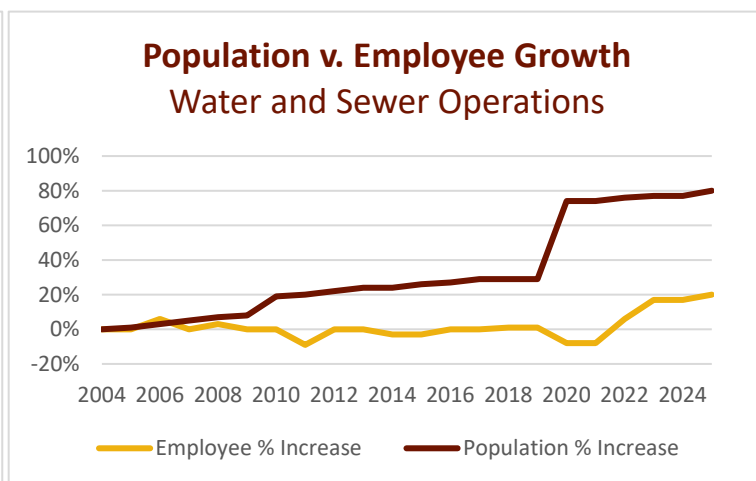
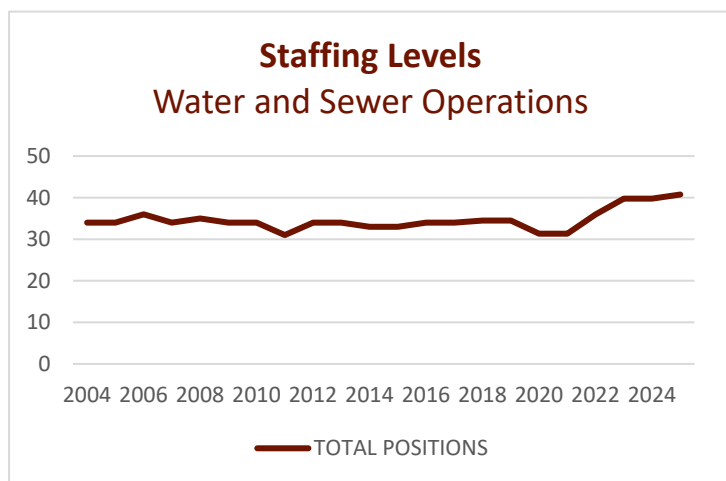
financial health. This is critical in maintaining the strong bond rating to save money when borrowing funds in the future and complying with required bond covenants from the WFER expansion projects. These are further areas that both Raftelis and Davenport will advise the town.

Raftelis staff will make a public presentation once the first draft of the model is complete. Thus, recommendations in the proposed budget could change depending on the model. This means proposed rate increases could be adjusted down or up. And, the timing for capital projects could be delayed or accelerated. We are hoping the draft will be ready for presentation before budget adoption, so the findings can be considered, but it's difficult to project a completion date at this time.

5. **New development and the potential for economies of scale.** Hillsborough's capacity to serve new development is limited due to the capacities of the plants, pipes, pumps, and reservoirs. Depending on one's view, this is either a positive or a negative. Even with growth limited to those areas and densities recommended in the Comprehensive-Sustainability Plan, the addition of new customers in parts of the system that can provide sufficient water and sewer capacity, can provide a large base of accounts to share the cost burden of paying for the system's operations (i.e., leverage the benefits of economies of scale that's a challenge for small utilities like Hillsborough). Note: in potentially adding new rate payers to the system, the benefits of additional revenue go away if the cost of connecting to the system is not paid by the new development. Otherwise, existing customers end up subsidizing the cost of adding the new development if expensive capital improvements are needed to serve it, such as larger lines and pump stations. Thus, it's essential that any new developments are evaluated closely to ensure they are paying their fair share. This will not be popular, but there are going to be areas where it does not make financial sense to add new customers to the system due to the cost of connections, upgrading the size of pipes, pump stations, and other assets. Future discussions will likely include identifying parts of the service area that cannot handle new connections.

As mentioned earlier, there has been a development slowdown. When the economy changes there are 877 units at Collins Ridge, East Village at Meadowlands, and the Moren Tract-Beech Company-Persimmon projects that have the potential for construction, but have not yet started. There are still other significant properties that will be developed at some point, including the former Daniel Boone between South Churton Street and I-85, as well as the current Waterstone South Project near the hospital. These projects offer the potential to provide significant financial assistance to stabilize rates.

6. **Limit staff additions.** Staffing is one of the most expensive parts of a business, thus limiting personnel-related expenses is an important cost containment strategy. There is only one position added to the Water and Sewer Fund in the three-year budget. This includes General Fund operations that share costs with the Water and Sewer Fund (e.g., administration, finance, human resources, safety, communications, and information technology). There are no position adds in these General Fund operations during this period as well, thus reducing cost impacts to Water & Sewer Fund. The graphs below demonstrate that water and sewer operations have had



modest staffing increases over the past 22 years, averaging a 0.91% annual increase during this long span. While staffing has increased 20% during the past 22 years, the town's population has increased by 80%. In addition, the miles of pipes, customers, generators, and many other assets have increased significantly as well. It's important to note that in addition to modest staffing additions, the use of inmate worker assistance from the Orange Correctional Facility ended in 2019. This meant the loss of approximately four positions that worked in the field with staff daily and also responded to after-hours emergencies.

7. **Re-evaluate interfund cost allocations.** The Water and Sewer Fund is assessed for its portion of shared services with General Fund departments such as governing board, administration, human resources, accounting, fleet maintenance, facility management, communications, safety, and information technology. This includes all operational, capital, and debt related expenses for these operations. At \$2.7 million, these expenses make up 20% of the Water and Sewer budget. Budget staff is currently doing an analysis of the cost allocations to evaluate whether adjustments are needed. Even a small adjustment could yield noteworthy savings. For example a five percent change in favor of the Water and Sewer Fund could generate approximately \$135,000 in savings. On the other side of the coin, this would cost the General Fund a corresponding amount and require cutting costs, increasing property taxes, or a combination, to make up the difference. Staff expect to have the analysis completed soon and ready for review.
8. **Reduction of service areas** via recommendations from the Comprehensive-Sustainability Plan. A smaller service area allows for more compact and cost-effective service provision. In addition, limiting development so growth pressure does not necessitate expansions of the water and wastewater plants is essential for long-term cost stabilization as increasing either plant's daily production would likely be exceptionally expensive.
9. **Reducing Inflow & Infiltration (I&I), into the sewer system.** I&I that gets into lines increases the loads and risks exceeding the capacity of the wastewater collection systems pipes, pumps, and plants. Plus, it greatly increases the risk of sewer overflowing manholes and pump stations during heavy rain events. It's far less expensive to repair, replace, and upgrade components of the collection system than to pay for an expansion of the wastewater treatment plant, which is often the most expensive project a utility system can undertake. An expansion in Hillsborough could cost \$30-40 million. Thus, the budget includes funding for projects that repair, seal, and fortify those parts of the collection system experiencing the highest levels of I&I (e.g., sealing manholes, replacing or relining mains/interceptors).
10. **Consider updating System Development Fee (SDF) cost analysis.** Water and sewer utilities are required by state statute to update these fees every five years. While Hillsborough just paid a consultant to update the formulas and fees about a year ago, proposed new developments are placing additional cost pressure to add or accelerate capital projects to serve some areas of town. In some cases, the required new/accelerated projects were not factored into last year's SDF updates. There are other components that may need to change in the formulas used depending on what new developments may be approved by the town board.

# General Fund

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# General Fund

## FY2025 Operating & Capital Budget

### Revenues

10 - GF Revenue Summary by Type

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Property Tax	\$9,656,518	\$9,822,080	\$10,270,000	\$10,770,000	\$10,950,000
Sales Tax	\$3,200,726	\$3,358,404	\$3,355,000	\$3,355,000	\$3,355,000
Intergovernmental	\$1,595,880	\$1,608,414	\$1,667,889	\$1,591,500	\$1,591,500
Fund Balance Appropriated	\$0	\$573,574	\$3,488,934	\$912,629	\$1,381,908
Interfund Transfers	\$0	\$170,000	\$724,500	\$855,000	\$220,000
Interest	\$418,762	\$715,000	\$425,000	\$125,000	\$125,000
Other	\$350,222	\$301,533	\$99,600	\$99,600	\$99,600
Licenses/Permits/Fees	\$139,540	\$148,802	\$97,600	\$97,600	\$97,600
Debt Issuance Proceeds	\$128,756	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$15,490,404</b>	<b>\$16,697,807</b>	<b>\$20,128,523</b>	<b>\$17,806,329</b>	<b>\$17,820,608</b>

### Expenditures

10 - GF Expenditure Summary by Function

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Public Safety	\$5,872,610	\$6,868,371	\$7,164,045	\$7,485,345	\$7,690,602
General Government	\$4,719,025	\$5,469,219	\$5,890,007	\$5,518,761	\$5,610,956
Public Works	\$2,367,824	\$3,923,724	\$5,752,861	\$3,201,294	\$2,578,699
Special Appropriations	\$196,703	\$421,113	\$855,860	\$1,135,179	\$1,484,601
General Government/Water and Sewer/Stormwater	\$0	\$0	\$450,000	\$450,000	\$450,000
Cemetery	\$3,369	\$15,380	\$15,750	\$15,750	\$5,750
Economic Development	-\$39,505	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$13,120,026</b>	<b>\$16,697,807</b>	<b>\$20,128,523</b>	<b>\$17,806,329</b>	<b>\$17,820,608</b>

### Financial Summary

10 - GF Revenues vs. Expenditures Financial Summary

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Revenues	\$15,490,404	\$16,697,807	\$20,128,523	\$17,806,329	\$17,820,608
Expenses	\$13,120,026	\$16,697,807	\$20,128,523	\$17,806,329	\$17,820,608
REVENUES LESS EXPENSES	<b>\$2,370,379</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Fund Balance

	FY23 Actual	FY24 Estimate	FY25 Budget	FY26 Projection	FY27 Projection
Fund Balance Appropriation		\$77,887	\$3,222,884	\$912,629	\$1,381,908
Balance	\$12,102,425	\$12,024,538	\$8,801,654	\$7,889,025	\$6,507,117
FUND BALANCE %	<b>92.2%</b>	<b>72.0%</b>	<b>43.7%</b>	<b>44.3%</b>	<b>36.5%</b>



# Funded Requests

## FY2025 Operating & Capital Budget

### General Fund

General Fund				Requested			Budget Recommendation		
				NET BUDGET IMPACT INCLUSIVE OF COST ALLOCATIONS AND OFFSETTING REVENUE			NET BUDGET IMPACT INCLUSIVE OF COST ALLOCATIONS AND OFFSETTING REVENUE		
Department	Request	Description		FY25	FY26	FY27	FY25...	FY26...	FY27...
Administrative Services	Cocktail Tables	Tables and tablecloths for Government 101		396	-	-	396	-	-
Human Resources	Event Chairs	Replace chairs used for employee picnic and Utilities holiday lunch.		2,400	-	-	2,400	-	-
Human Resources	Student Loan Assistance Program	Contract with financial advisors for services related to student loan financial planning.		1,728	1,728	1,728	1,728	1,728	1,728
Planning	Code Enforcement	Hire contracted assistance for code enforcement.		60,000	50,000	50,000	60,000	50,000	50,000
Planning	TOD Plan/Market Feasibility Study	Market feasibility analysis for property adjacent to train station site.		75,000	-	-	75,000	-	-
Planning	Update Historic District Building Inventory	Update 10-year old historic district inventory map to include new construction, modifications, and major renovations.		25,000	-	-	25,000	-	-
Facilities Management	ADA Transition Phase I	Implementing ADA transition plan over span of three years, or until plan is fully complete. Request for annual funds in yearly Facilities Management budget to address needed ADA work.		3,250	3,250	3,250	3,250	3,250	3,250
Facilities Management	Admin Building Back Stairs Landing	Repair or replace back stairway at Admin Building for improved safety and accessibility.		22,750	-	-	22,750	-	-
Facilities Management	Computerized Maintenance Management System	Includes asset management, equipment barcoding, asset inventory, vendor interface for work orders and issue reporting.		3,250	3,250	3,250	-	-	-
Facilities Management	Facilities HVAC Duct Cleaning	Clean HVAC ducts at all town facilities		47,450	-	-	47,450	-	-
Facilities Management	Park Bathrooms Repair	Repair to plumbing, electric apparatus, and structure of bathroom at Gold Park. Also involves interior lighting replacement and graffiti removal.		9,750	9,750	9,750	9,750	9,750	9,750
Facilities Management	Police Department Elevator Repair and Reno	Circuit board replacement at Police HQ elevator - current circuit board is discontinued.		81,250	-	-	(18,750)	-	-
Facilities Management	Town Hall Campus HVAC Replacements	Stormwater office, Planning Director's office, and one unit at RR House.		9,750	-	-	9,750	-	-
Facilities Management	WWTP Roof Restoration	Requested as alternative to \$27,000 replacement cost.		2,600	-	-	2,600	-	-
Public Space	Additional Recycling Amenities at Parks	Provide recycling amenities and pickup services at all parks that do not currently have them.		30,600	600	600	30,600	600	600
Public Space	LED Street Light Transition	Project provides energy savings and more consistent light pattern, improving night time travel safety.		-	-	-	-	-	-
Public Space	Murray Street Park Playground Equipment	Requested as implementation of Murray Street Park Master Plan. Includes safety and accessibility upgrades.		-	-	50,000	-	-	-
Public Space	Park Reservation Software	Third-party software needed if built-in system of new website vendor is not suitable for Public Space staff.		5,000	3,500	3,500	5,000	3,500	3,500
Public Space	Skate Park Contingency	Add 20% contingency for Skate Park construction		30,000	-	-	-	-	-
Public Space	Story Walk	Requested by Parks and Recreation Board. Includes various storybook pages at locations along a path for users to read as they walk.		-	12,000	-	-	12,000	-
Information Technology	Asset Management System	Provide centralized platform for managing assets, tasks, and labor. Will help provide accurate cost estimates for maintenance and replacement of all assets.		26,400	29,760	29,760	26,400	29,760	29,760
Information Technology	Utilities Administrative Assistant - GF Impact	IT costs for outfitting new position - data support, data supplies, and telephone.		2,270	830	830	2,270	830	830
Information Technology	Equipment Operator - GF Impact	IT costs for outfitting new position - data support, data supplies, and telephone.		-	2,206	766	-	2,206	766
Information Technology	NC86 Renovation	Provide IT upgrades associated with NC86 renovation		7,200	-	-	7,200	-	-
Police	Live-Scan Fingerprint Machine	Needed for applicants and current officers who must be fingerprinted annually. The equipment could also be utilized by civilians and Orange Rural Fire Department. Currently only the Sheriff's Office has fingerprinting services.		15,000	-	-	15,000	-	-
Police	Office Furniture	Standing desk, side table or cubby, bookcase and new filing cabinets for two lieutenants' offices.		6,000	-	-	6,000	-	-
Police	Radio Upgrade	Required for TDMA compliance by July 2025. Current radios are using VHSR system which is predecessor to TDMA.		82,000	-	-	82,000	-	-
Police	Recarpet HQ Patrol Room	Patrol room currently has two different types of carpet, some of which is deteriorating.		4,000	-	-	4,000	-	-

Police	Replace In-Car Cameras	Requested to improve video quality and reduce needed repairs and camera failures.	-	100,000	100,000	-	100,000	100,000
Police	Rifle Upgrades	Replace four old rifles that cannot be upgraded and purchase parts for remaining rifles.	8,000	-	-	8,000	-	-
Police	Vehicle Replacements	Requesting two vehicle replacement per year to keep consistent vehicle availability and reduce maintenance costs/time. Cost of vehicle is covered by PD Vehicle Replacement Fund. Assume \$3k/yr for tax/tags.	6,000	7,500	6,000	6,000	7,500	6,000
Police	Vehicle Replacement Fund	Fund annual contribution to vehicle replacement fund to smooth budget fluctuations due to the number of vehicles being purchased per year. PD has 23 vehicles that will be 10+ yrs old over the next 4 years.	225,000	250,000	275,000	225,000	250,000	275,000
Fire Protection	ORFD Personnel Expansion	Expand professional firefighting force: 3 Firefighters and 1 Battalion Chief funded for a 7 months in FY25 and full years in FY26+.	63,292	113,925	119,621	63,292	113,925	119,621
Fleet Maintenance	A/C Repair Machine	Requested for compatibility with new auto industry refrigerant. Current machine is not compatible. Private shop a/c maintenance is more expensive.	4,445	-	-	4,445	-	-
Fleet Maintenance	Dodge Scan Tool and Yearly Software	Two Dodge vehicles in the fleet will come out of warranty in FY25, with others to follow.	1,200	504	504	1,200	504	504
Fleet Maintenance	Roll-Up Garage Doors	Will allow trucks that are currently too long for the maintenance bay to be serviced at the Fleet facility rather than sending to a private shop.	17,897	-	-	17,897	-	-
Fleet Maintenance	Training - Hybrid Police Vehicles	Needed for current hybrid Ford Police vehicles that are coming out of warranty soon.	3,556	-	-	3,556	-	-
Fleet Maintenance	NC86 Renovation	Rental building for swing space as construction begins at NC86 Facility.	4,148	4,148	-	4,148	4,148	-
Streets	Engineering Inspection for New Development	Contract with private engineering firm to monitor and inspect private development infrastructure as it is being built, rather than after construction. Will also provide proper documentation of adherence to town standards when infrastructure is conveyed to the town.	15,000	15,000	15,000	15,000	15,000	15,000
Streets	Salt Spreader	Replace one of undersized and 10-years old. Current salt spreaders are rusty and have required replacement of electric motors. New spreaders will have larger capacity, reducing work hours by requiring fewer fill-ups.	4,500	4,500	-	4,500	4,500	-
Streets	Snow Plow	Current plows are 11 and 8 years old. One is damaged.	10,000	-	-	10,000	-	-
Streets	NC86 Renovation	Renovate NC86 Facility to add space for Public Works staff and equipment. 1/2 debt payment in FY26.	22,000	89,949	245,898	2,209,000	-	-
Streets	Truck #214 Replacement	Replace a 10 year old truck with 100K miles and has already had an engine replacement.	69,106	-	-	69,106	-	-
Solid Waste	Replace Golf Cart with RTV	Replace current electric golf cart used by Public Works, Public Space, and Police with gas/diesel model. Current cart is often too weighed down or runs out of charge before work is complete.	23,000	-	-	23,000	-	-
Solid Waste	Replace Garbage Truck #229	Replace 2015 truck, using vehicle replacement funds to offset capital cost of the truck (\$360k). Tax & Tag to be covered by operating revenue.	-	2,006	-	-	2,006	-
Solid Waste	Replace Knuckleboom #253	Replace 2018 truck, using vehicle replacement funds to offset capital cost of the truck (\$225k). Tax & Tag to be covered by operating revenue.	-	2,006	-	-	2,006	-
Solid Waste	Replace Leaf Truck #222	Replace 2014 truck, using vehicle replacement funds to offset capital cost of the truck (\$374,500). Tax & Tag to be covered by operating revenue.	2,006	-	-	2,006	-	-
Solid Waste	Solid Waste Vehicle Replacement Fund	Set aside operating funds for future Solid Waste vehicles for continuous replacement.	190,000	190,000	135,000	190,000	190,000	135,000
Special Appropriations	Passenger Rail/Multi-Modal Station	Debt service on train station. Construction anticipated later 2026. 1/2 debt payment in FY27.	-	-	36,104	-	-	36,104
Special Appropriations	Compensation & Class Study Implementation	Implement tri-annual compensation and class study. Study conducted in FY25, implemented in FY26.	-	165,000	165,000	-	165,000	165,000
Special Appropriations	Affordable Housing Ramp-Up to 2-Cents	Allocating increasing funds year-over-year to eventual equivalent of 2-cents on the town's tax rate to fund affordable housing efforts.	116,391	191,391	267,391	116,391	191,391	267,391
Special Appropriations	Partnership to End Homelessness: Expansion Request	To fund bridge housing operations, coordinated entry personnel, and coordinated entry operations.	12,057	12,057	12,057	-	-	-
Special Appropriations	Fairview Community Watch	\$45K for building improvements at Community Center and \$10K for operations and programming.	55,000	10,000	10,000	55,000	10,000	10,000
Facilities Management	Water & Sewer Service	W&S service at Town Hall Campus & Annex	1,742	1,742	1,742	1,742	1,742	1,742
Police	Water & Sewer Service	W&S service at PDHQ and PD Annex	1,360	1,360	1,360	1,360	1,360	1,360
Fire Protection	Water & Sewer Service	W&S service at downtown station, Waterstone station, future N. Churton St station property, & hydrants	9,600	9,600	9,600	9,600	9,600	9,600
Public Space	Water & Sewer Service	W&S service at Murray St, Gold Park, Cates Creek, Hillsborough Heights and Turnip Patch parks	4,750	4,750	4,750	4,750	4,750	4,750
Fleet Maintenance	Water & Sewer Service	W&S service at NC-86 facility	427	427	427	427	427	427

Streets/Solid Waste	Water & Sewer Service	W&S service at Public Works facility	\$50	\$50	\$50	\$50	\$50	\$50
Revenue	2-Cent Tax Rate Increase	1 cent = \$160k	-	-	-	(320,000)	(640,000)	(640,000)
			1,424,071	1,293,289	1,559,438	3,145,764	548,033	608,233





# Code Enforcement

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
1	Recurring	"Taking Care of What We've Got"

## Describe Request

The Town has experienced an increase in population growth over the last few years and new residents have higher expectations with regard to the extent that the town provides code enforcement. Currently the Planning department only performs minimum code enforcement due to a lack of staff capacity to engage in code enforcement cases, which can become extremely time consuming and involves legal processes and public hearings that need to take place if they go into abatement. Often, code enforcement cases aren't planning/zoning related and cross into Public Works and/or Police jurisdiction. Having a single point of contact to handle complaints would be helpful to all three departments' workloads.

The town is only doing very basic complaint-driven code enforcement and has seen an increase in requests for proactive code enforcement and legacy code enforcement issues going on, without the town's knowledge, for many years. Examples include longtime residents who go without neighbors for a time that have amassed large amounts of junk, vehicles, and debris in rear yards; Commercial properties, signage, and site features that have fallen into disrepair; and a constant stream of illegal signage going up. To some extent, code enforcement complaints are coming in faster than staff can resolve them as-is, and staff are not doing any pro-active enforcement to address issues that will become problems in the future.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

Given the current population, the town is on the cusp of needing a full-time code enforcement officer, and contracting out for code enforcement support from a private code enforcement company may be a stop gap measure to avoid adding any new positions. There has been significant uptick in code enforcement complaints over the last few years and frustration from residents on the time it takes to resolve issues due to the lack of capacity to handle code enforcement issues as well as a lack of strong code enforcement ordinances and penalties. There is the option to contract with someone on a part-time basis to address the code enforcement cases that staff does not have time to reconcile.

There is also a need for someone with a code enforcement background to look at both the UDO and Town Code of Ordinances and assess whether or not there are the right ordinance requirements and civil remedies in place to resolve code enforcement issues quickly and effectively. The town is currently lacking strong code language to do nuisance abatement on dilapidated structures, for example. There is nothing in the code that addresses houses that have fallen into unlivable conditions, are missing doors, windows, etc.

The estimated cost is based on hiring a contracted code enforcement officer for 15 hours a week at a rate of \$75.00 per hour for one year (\$58,500) with a supplemental \$1,500 (20 hours) to work with staff

on updating/drafting town code and/or UDO language to do more effective code enforcement and address dilapidated structures, junk vehicles, and accumulation of junk and trash.

### Additional Information

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Reserve funds in the FY25 budget to contract out code enforcement caseload and review/recommend updates to the Code of Ordinances and UDO.

### Budget Justification Expenditures

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10-10-4900 - Code Enforcement

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$60,000	\$50,000	\$50,000	\$160,000
TOTAL	\$0	\$60,000	\$50,000	\$50,000	\$160,000



# TOD Plan/Market Feasibility Study

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
2	One Time	Other New Request

## Describe Request

The town has the opportunity to shape the future development of a 20-acre tract anchored by a funded and designed train station. Staff has internally created a draft masterplan that explored the possibilities of entering into a public/private partnership to develop another civic use anchor, restaurant/retail/office, parking to support those uses, and market-rate and affordable housing to create a transit-oriented development area connected to downtown and the southern part of town by a future greenway. A formal plan and exploration of market feasibility for this property from an outside consultant that can incorporate market data is needed to inform future development decisions on the property to ensure highest and best use in scale with the area.

## Link to Strategic Plan or Departmental Priorities

Strategic Plan

Economic Vitality

"Develop public projects, policies and marketing related to economic system goals."

- 1.2 – Complete Train Station Development Master Plan (FY24-FY25).

Sustainability

"Optimize the built environment in a way that aligns with smart growth principles."

Connected Community

"Advance a multi-modal network that reduces single-occupancy vehicles and links Hillsborough residents to key places and each other."

Developing a transit oriented development with the correct mix of uses around the train station ensures a community connected by train, greenway, transit, and micro-mobility options for transportation outside of single occupancy vehicles.

## Alternatives & Operational Impact if Not Funded

The property could sit vacant or the town could sell to a private developer, but it would then miss the opportunity to create a transit-oriented development in the heart of town. Having the property sit vacant could negatively impact the town's ability to get or keep an AMTRAK stop.

## Additional Information

# Budget Justification Expenditures

10-10-4900 - TOD Plan/Market Feasibility Study

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$75,000	\$0	\$0	\$75,000
TOTAL	\$0	\$75,000	\$0	\$0	\$75,000



# Historic District Building Inventory Update

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
15	One Time	"Taking Care of What We've Got"

## Describe Request

The historic district inventory and map is about 10 years old, and in the last 10 years we have seen a lot of new construction, modifications, and major renovations in the district. The Historic District Commission uses the information from this inventory to inform its decisions, and it is important that it be updated periodically to reflect the unique character of the district. Town staff is also looking into grant funding options to offset the cost, hence the low priority ranking.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

This request could be funded in a future fiscal year.

## Additional Information

## Budget Justification Expenditures

10-10-4900 - Historic District Building Inventory Update

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$25,000	\$0	\$0	\$25,000
TOTAL	\$0	\$25,000	\$0	\$0	\$25,000



# Administration Building Back Stairs and Landing

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
5	One Time	"Taking Care of What We've Got"

## Describe Request

The exterior steel stairway that leads to the second floor of the Administration Building has deteriorated and needs to be repaired or replaced. The deterioration is the worst at the landing and attachment points with the building, as well as the bottom of the support poles and the attached landing points.

## Link to Strategic Plan or Departmental Priorities

Town of Hillsborough's Comprehensive Sustainability Plan:

- Social Systems and Public Space Goals and Actions Goal 3: Ensure that community events and public spaces are safe and accessible for all residents and visitors

## Alternatives & Operational Impact if Not Funded

Alternatives:

- Seek other possible methods to repair and not replace entire stair structure.
- Replace with pressure treated wood rather than steel for up to 30% cost savings over wood, resulting in shorter lifespan compared with steel material and increased maintenance costs for paint, stain and weather treatment.
- Consult with various code officials to determine if stairway is needed.

Operational Impact if not funded:

- Could become a safety issue/liability claim.
- Area of deterioration where affixed to building could lead to wood rot on structure.

## Additional Information

It is recommended to replace the stairway completely. If not fiscally possible, replace landing and supporting poles and attach to existing stairs and building (not replacing the steps - landing and poles only).

# Budget Justification Expenditures

10-10-5000 - Admin Building Stairs and Landing Repair

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$35,000	\$0	\$0	\$35,000
TOTAL	\$0	\$35,000	\$0	\$0	\$35,000





# Facilities HVAC Duct Cleaning

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
4	One Time	"Taking Care of What We've Got"

## Describe Request

Funding for HVAC Duct Cleaning Services for Town Hall Campus, Town Hall Annex, Police Headquarters, Police Annex, Adron Thompson, Water Plant, Wastewater Plant (main building only) and Dorothy Johnson Community Center.

## Link to Strategic Plan or Departmental Priorities

### Energy savings

- 25-40% of wasted energy due to contaminants in HVAC systems which makes the system work harder and shortens life of system.
- HVAC system not working as hard to maintain temperatures means less energy used.

### Indoor Air quality

- Contaminants in ducts are circulated 5 – 7 times on avg. per day, causes buildup of contaminants.
- Could contribute to larger health issues or harboring contaminants that could cause serious problems for those with respiratory health issues, autoimmune disorders or some environmental allergies.

### Restoration of Ducts

- Refurbishes, repairs and resurfaces the interior of ducts.
- Extends life of duct work.
- More efficient airflow.
- Resolves obstructions, excess moisture, and microbial contamination in HVAC system.

This service is recommended every 5 years. From the history of facility maintenance at the town, this service has never been completed for any of the existing HVAC systems.

Possible energy efficiency gain that could contribute to Clean Energy Pledge.

## Alternatives & Operational Impact if Not Funded

- The alternative is to continue to allow the current HVAC systems to operate 'as-is', with a possible 25 – 40% inefficiency
- Duct work and mechanical parts lifespan continuing to shorten.

- Provide duct cleaning in phases (not all facilities in same budget year). This would lessen the amount of the request in the short term, but it would increase the amount of the service due to inflation over time, loss of discount for multiple facilities done at once and continued inefficient operation of those HVAC systems that are waiting to be cleaned.

## Additional Information

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### Budget Justification Expenditures

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10-10-5000 - Facilities HVAC Duct Cleaning

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$73,000	\$0	\$0	\$73,000
TOTAL	\$0	\$73,000	\$0	\$0	\$73,000



# Additional Recycling Amenities at Parks

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
1	One Time	Current Service Expansion or Investment

## Describe Request

Provide recycling at all town parks by installing new dual-collection, waste and recycling containers to match the containers that are used downtown. Currently, recycling is only offered at Kings Highway Park and Gold Park, but the container at Gold Park is old and in disrepair. This proposal includes installing 7-Victor Stanley dual receptacles of the Ironsites Series with side door and enclosed dome and rain bonnet lids. Proposed locations include Cates Creek Park (2), Turnip Patch Park, Murray Street Park, Hillsborough Heights Park and Gold Park (2). The recycling cart pick up fee is increased in the operating budget to account for additional pick-up locations.

## Link to Strategic Plan or Departmental Priorities

This project helps to protect and enhance natural resources and advance sustainability and climate initiatives by reducing waste and normalizing recycling. It is also listed as a top priority in the master plans for town parks and was prioritized by the Parks and Recreation Board for FY25.

## Alternatives & Operational Impact if Not Funded

Placing fewer receptacles and staging them in over several years is an option.

## Additional Information

## Budget Justification Expenditures

10-10-6300 - Additional Recycling Amenities at Parks

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$30,600	\$600	\$600	\$31,800
TOTAL	\$0	\$30,600	\$600	\$600	\$31,800





# LED Street Light Transition

## Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
2	One Time	Current Service Expansion or Investment

### Describe Request

The town has over 700 streetlights. Several years ago, Duke Energy transitioned over 200 Mercury-Vapor streetlights to LED fixtures, resulting in energy savings to the town. However, there are still hundreds of streetlights that are High Pressure Sodium fixtures, which are much less energy efficient than LED fixtures. In 2023, the town adopted a standard for streetlights: 3000-Kelvin LED fixtures. This project includes transitioning the remaining non-LED fixtures to LED to meet the town standard and reduce overall energy consumption by an estimated 11,000 KWH/month. The new streetlights will also provide a more consistent light pattern at night, making town roads safer for the travelling public.

### Link to Strategic Plan or Departmental Priorities

This project helps to meet the following Strategic Plan objective: Intensify efforts to meet 2030 and 2050 clean energy goals, reducing overall energy consumption and increasing the use of clean energy for town operations.

### Alternatives & Operational Impact if Not Funded

The town could spread implementation over several years, though that would increase the number of agreements and contracts necessary with Duke Energy.

### Additional Information

The town's monthly electric bill from Duke Energy will be reduced after transitioning, but only by an estimated \$100 per month because Duke Energy adds a transition fee for the work.

### Budget Justification Expenditures

10-10-6300 - LED Street Light Transition Exp.

Object	2023-24	2024-25	2025-26	2026-27	Total
Miscellaneous	\$0	\$30,000	\$0	\$0	\$30,000
TOTAL	\$0	\$30,000	\$0	\$0	\$30,000

### Budget Justification Revenues

10-10-6300 - LED Street Light Transition Rev.

Object	2023-24	2024-25	2025-26	2026-27	Total
Transfer From General Capital Reserve	\$0	\$30,000	\$0	\$0	\$30,000
TOTAL	\$0	\$30,000	\$0	\$0	\$30,000



# Asset Management System

Information Technology Form (FY25-FY27)

Priority Rank	Frequency	Category
1	Recurring	New

## Describe Request

Multiple departments and divisions have been requesting asset and operations management software over the past few years. In an effort to provide the most cost-effective and efficient solution, IT is recommending looking into a software solution for the entire organization instead of having each division and department utilizing a different solution. Asset and operations management software would help streamline operations by providing a centralized platform for managing assets, tasks and labor; would improve efficiency by providing accurate and up-to-date information about town assets; would help control costs associated with the town's investments and provide accurate cost estimates for maintenance and replacement of all assets; and provide insights into asset usage and performance.

## Link to Strategic Plan or Departmental Priorities

This request has been listed as a high departmental priority for many town divisions and departments.

## Alternatives & Operational Impact if Not Funded

Continue to operate with each division and department utilizing their own current processes.

## Additional Information

## Budget Justification Expenditures

10-10-6610 - Asset Management System

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$55,000	\$62,000	\$62,000	\$179,000
TOTAL	\$0	\$55,000	\$62,000	\$62,000	\$179,000



# Live-Scan Fingerprint Machine

## Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
5	One Time	Current Service Expansion or Investment

### Describe Request

The Police Department is requesting funds to purchase a live-scan fingerprint system.

Live Scan Fingerprinting is the inkless process of capturing fingerprints electronically for submission to specific agencies or fingerprint card printing. Due to the system being live, fingerprints are taken and transmitted immediately. This allows the results to be obtained via email within 3 to 48 hours.

The system would allow officers to more seamlessly assist citizens, applicants, and employees with fingerprint cards necessary for employment, travel, and background checks. This would save time and eliminate the need to contact the Sheriff's Office to schedule appointments for employees and applicant fingerprinting. With officers and first responders mandated to be fingerprinted yearly, this would cut down on the cost of having officers come in on their days off to be fingerprinted.

The Orange Rural Fire Department has also advised they would be willing to work with the Town of Hillsborough to pay for the equipment needed to purchase the unit. This would allow their fire fighters to be fingerprinted without the hassle of making appointments with the OCSO as well.

### Link to Strategic Plan or Departmental Priorities

Purchasing this system will allow the department to provide additional (and better) service to the community (Service Excellence) and streamline some internal processes.

### Alternatives & Operational Impact if Not Funded

If not funded, this will have to continue to get done through OCSO.

### Additional Information

ORFD Is willing to help with part of the cost as they will be using the system for applicants and yearly mandates. The whole system is around \$15,000 but an official quote has not yet been obtained. It has not been determined yet how much ORFD may be able to contribute, so the request may be less.

### Budget Justification Expenditures

10-20-5100 - Live-Scan Fingerprint Machine

Object	2023-24	2024-25	2025-26	2026-27	Total
Capital - Equipment	\$0	\$15,000	\$0	\$0	\$15,000
TOTAL	\$0	\$15,000	\$0	\$0	\$15,000





# Radio Upgrade

Budget Justification Form (FY25-FY27)

Priority Rank

1

Frequency

One Time

Justification Type

"Taking Care of What We've Got"

## Describe Request

In July of 2025 all radios using the VIPER system (which we use) will have to be TDMA complaint. As a result, the Police Department will require a software update to all of its radios and replace 8 older radios that cannot accept the update. This system update has been discussed over the past few years, and the deadline for compliance has moved several times, but this appears to now be a final deadline, and the department must plan to get into compliance.

Doing the software upgrade on the existing radios is estimated to cost ~\$32,000.  
Replacing the 8 radios will cost ~\$50,000.

## Link to Strategic Plan or Departmental Priorities

This item is linked to both "taking care of what we have" and ensuring the maintenance of service levels. This system is critical for service delivery, and there is no way to achieve service excellence without it.

## Alternatives & Operational Impact if Not Funded

There really is no alternative. This is a "must do."

## Additional Information

## Budget Justification Expenditures

10-20-5100 - Radio Upgrade

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$50,000	\$0	\$0	\$50,000
Operating	\$0	\$32,000	\$0	\$0	\$32,000
TOTAL	\$0	\$82,000	\$0	\$0	\$82,000



# Police Vehicle Replacement Fund

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

Recurring

Justification Type

"Taking Care of What We've Got"

## Describe Request

Establish replacement fund for police vehicles to smooth out impact on budget.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

10-20-5100 - Police Vehicle Replacement Fund

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Interfund Transfers	\$0	\$225,000	\$250,000	\$275,000	\$750,000
TOTAL	\$0	\$225,000	\$250,000	\$275,000	\$750,000



# ORFD Personnel Expansion

## Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
1	Recurring	Current Service Expansion or Investment

### Describe Request

Fund three Firefighter positions and one Battalion Chief position, both starting mid-year in FY25. In FY26-27, the positions will be funded for the entire fiscal year. The firefighters are to get the total shift counts to 9 per day when everyone is at ORFD and to provide a relief factor for COVID, injuries and sick time use. Currently, only one person can be off each shift before forcing an overtime situation. The hiring of part-time personnel has helped reduce the overtime need on a few occasions.

ORFD is short one position for the first time in about a year. One staff member left for Apex for a \$9k raise and less work. ORFD has had a Battalion Chief out since October 10th with an off-duty injury and the rest of the staff have been trying to cover the calls day and night. When they are both working, they rotate and do weekend coverage for major incidents. That's gotten them by for many years, but the lack of stability amongst the three shifts is taking a toll.

The Battalion Chiefs move back to the trucks when ORFD has more than one person out, so the third one will also help with overtime reduction.

### Link to Strategic Plan or Departmental Priorities

### Alternatives & Operational Impact if Not Funded

### Additional Information

### Budget Justification Expenditures

10-20-5350 - ORFD Personnel Expansion

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$63,292	\$113,925	\$119,621	\$296,838
TOTAL	\$0	\$63,292	\$113,925	\$119,621	\$296,838



# Roll-Up Garage Doors

Budget Justification Form (FY25-FY27)

Priority Rank

1

Frequency

One Time

Justification Type

Other New Request

## Describe Request

■ Purchase and install two garage doors at the Fleet Maintenance facility.

## Link to Strategic Plan or Departmental Priorities

The Water Distribution Division has four Ford F-450 trucks that are too long for the bays in the shop. The trucks can be lifted up on either of the two lifts used for medium duty trucks, but the shop roll up door cannot be closed with the truck on the lift. As a result of this, Fleet has been sending these trucks out to the dealer for major repairs, because the shop door needs to be closed at the end of the day for security. Purchasing these two roll up doors that mount on the outside of the building will provide the extra 6 inches of length needed to shut the door for the night with the truck still on the lift.

## Alternatives & Operational Impact if Not Funded

If the doors are not funded, Fleet will continue to send these trucks out to vendors for repairs. Money has been approved and included in the FY24 budget for this reason. Some repairs will still be needed from outside vendors due to the shop not having the proper equipment to repair these trucks, but outside repairs will be greatly reduced.

## Additional Information

While allowing Fleet to keep these trucks overnight on the lift, there still will be some repairs that are just too heavy for Fleet to accomplish on these trucks. Some work will still be needed by vendors. Staff estimate that the funding for having these trucks repaired by outside vendors could be cut in half. The cost of both doors including installation is \$30,200.

## Budget Justification Expenditures

10-30-5550 - Roll-Up Garage Doors

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$30,200	\$0	\$0	\$30,200
TOTAL	\$0	\$30,200	\$0	\$0	\$30,200





# Engineering Inspection for New Development

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
1	Recurring	New Service or Investment

## Describe Request

Public Works is in need of an engineering firm that can assist with inspections of any new infrastructure that is being installed, mostly in the new developments. In the past, Public Works has only done post inspections by walking the streets and sidewalks. That has been found to be ineffective, as they cannot see underneath the roadways or sidewalks when doing these types of inspections. This request is to have an inspector on-site with the developers to inspect all the stormwater system, curb and gutter, sidewalks and the streets as they are being installed. This will help Public Works tremendously and save the town money in the long run from having to make several repairs due to poor construction by the developer's construction group. This will also make the transition from a private street to town-maintained street easier, as the town will have all the documentation needed showing everything was built to town standards and to the approved plans. Currently, the town relies on the developer to ensure these things are installed properly, which is not always the case. Public Works has already done an RFQ for services and has selected 5 possible firms to assist Public Works and Utilities on these types of projects, as the Utilities Department is also in need of these services.

## Link to Strategic Plan or Departmental Priorities

Departmental priorities - to ensure the town is receiving a good final product when accepting the new streets and infrastructure in these new developments.

## Alternatives & Operational Impact if Not Funded

Operational impact - could potentially cost the town thousands of dollars in the future from poor construction by the developers. Road failures and stormwater issues would be the most costly.

## Additional Information

Approving this funding will ensure the town receives a good final product when accepting new infrastructure.

## Budget Justification Expenditures

10-30-5600 - Engineering Inspection for New Development

Object	2023-24	2024-25	2025-26	2026-27	Total
C.S./Engineering	\$0	\$15,000	\$15,000	\$15,000	\$45,000
TOTAL	\$0	\$15,000	\$15,000	\$15,000	\$45,000



# Snow Plow

Vehicle and Equipment Form (FY25-FY27)

Category	New or Replacement	Current Mileage
Equipment	New	

## Describe Request

The Public Works Division currently has two smaller stainless steel snow plows for its F-450 dump trucks. One of the plows is 11 years old, and one is 8 years old. While there have not been many snow events lately, these plows are heavily used when they are needed. The plow that is 11 years old has a bent moldboard (the stainless part that the scrape edge attaches to) and although it is still able to be used, it may not be for much longer from the impact of hitting raised manholes and other obstructions in the roadway. The division also does not have a spare plow of this size, and with already having limited trucks for these types of events, we do not want to be down a truck just because we do not have an extra plow. So, the plow I am wanting to purchase will not only replace an older plow but we will be able to keep a spare on the yard in case one breaks.

## Link to Strategic Plan or Departmental Priorities

Departmental priorities - to continue to provide a reliable service during winter weather events.

## Alternatives & Operational Impact if Not Funded

Operational Impact - if not funded this could hinder us from clearing roads during snow events in a timely manner.

## Additional Information

## Budget Justification Expenditures

10-30-5600 - Snow Plow

Object	2023-24	2024-25	2025-26	2026-27	Total
Capital - Equipment	\$0	\$10,000	\$0	\$0	\$10,000
TOTAL	\$0	\$10,000	\$0	\$0	\$10,000









# Truck #214 Replacement

Vehicle and Equipment Form (FY25-FY27)

Category	New or Replacement	Current Mileage
Vehicle	Replacement	98,519

## Describe Request

Replace Truck #214, a 2014 with 100K miles. Truck is rusting and has already had an engine replacement.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

10-30-5600 - Truck #214 Replacement

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$67,100	\$0	\$0	\$67,100
Operating	\$0	\$2,006	\$0	\$0	\$2,006
TOTAL	\$0	\$69,106	\$0	\$0	\$69,106



# Golf Cart Replacement with RTV

Vehicle and Equipment Form (FY25-FY27)

Category	New or Replacement	Current Mileage
Equipment	Replacement	N/A

## Describe Request

Replace the electric Club Car utility vehicle with a more reliable gas/diesel utility vehicle. This piece of equipment is used by both Public Works and Public Space. Public Works uses it on Mondays, Wednesdays, and Fridays for scheduled work including Riverwalk inspection and emptying of the waste receptacles along Riverwalk and at Gold Park. Public Works also uses it periodically for repairs and cleaning of Riverwalk/Gold Park. The Riverwalk trail is too narrow to use a pickup truck for these tasks on a daily basis, and some areas cannot be accessed with a pickup at all. Public Space typically uses the vehicle on the days that it is not used by Public Works to water plants/trees around town. They put a large water tank in the bed and water with a hose instead of carrying multiple 5-gallon buckets of water by hand. From spring to the end of fall, this vehicle is used almost daily, including weekends when there is a Friday or Monday holiday due to the amount of trash that accumulates in these areas. There is also the occasional use by the Police Department for special events.

With the current vehicle being electric and used to haul either several pounds of trash or water, it has proven to not be up to the task, including leaving staff stranded on the side of the road. There have been several occasions where staff have had to push it back to its charging station as the batteries died before staff were able to complete their tasks. This 2019 vehicle has also already had multiple issues with its electrical components. Fleet has replaced 2 sets of batteries at \$950 each time, and several individual batteries at \$125 each. There have also been issues on rainy days when the electric motors get wet. Replacing this vehicle with an RTV will increase reliability, increase towing capacity, and increase versatility for other projects.

## Link to Strategic Plan or Departmental Priorities

Public Works' priority is to reliably service the waste receptacles along Riverwalk and at Gold Park. These receptacles are heavily used and have to be emptied at least every other day.

## Alternatives & Operational Impact if Not Funded

No alternatives, as a small vehicle is needed for these tasks. If replacement is not an option, Public Works will continue to have failures and spend money on electrical components, hindering the ability to provide reliable service.

## Additional Information

# Budget Justification Expenditures

10-30-5800 - Golf Cart Replacement with RTV

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$23,000	\$0	\$0	\$23,000
TOTAL	\$0	\$23,000	\$0	\$0	\$23,000



# Solid Waste Vehicle Replacement Fund

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
1	Recurring	"Taking Care of What We've Got"

## Describe Request

Fully fund 7-year replacement cycle for Solid Waste vehicles by increasing annual contribution to replacement fund by \$190,000 in years 1 & 2, then reducing to \$135,000 for FY27+. The additional amount needed is less than the \$222,000 that would be needed to fund the debt payments on the garbage, leaf and brush truck replacements requested in FY25 and FY26. This will allow the town to pay cash for all Solid Waste vehicle replacements projected through FY31.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

10-30-5800 - Solid Waste Vehicle Replacement Fund

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Interfund Transfers	\$0	\$190,000	\$190,000	\$135,000	\$515,000
TOTAL	\$0	\$190,000	\$190,000	\$135,000	\$515,000



# Compensation & Class Study Implementation

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

Recurring

Justification Type

"Taking Care of What We've Got"

## Describe Request

Funds to implement tri-annual comp & class study results.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

10-60-6900 - Compensation & Class Study Implementation

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$0	\$165,000	\$165,000	\$330,000
TOTAL	\$0	\$0	\$165,000	\$165,000	\$330,000



# Fairview Community Watch

## Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

One Time

Justification Type

New Service or Investment

### Describe Request

The Fairview Community Watch leadership submitted a letter requesting \$55,000 in funding for FY25. \$45,000 is requested for general building improvements at the Dorothy N. Johnson Community Center and \$10,000 is requested for community center operations and programming.

### Link to Strategic Plan or Departmental Priorities

This request is from a community group that the town has partnered with in the past.

### Alternatives & Operational Impact if Not Funded

None

### Additional Information

Attached letter details FY24 accomplishments and presents a budget for the FY25 funding request.

### Budget Justification Expenditures

10-60-6900 - Fairview Community Watch (BJF)

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$55,000	\$10,000	\$10,000	\$75,000
TOTAL	\$0	\$55,000	\$10,000	\$10,000	\$75,000



# Unfunded Requests

## FY2025 Operating & Capital Budget

### General Fund

General Fund			Unfunded		
Department	Request	Description	FY25	FY26	FY27
Facilities Management	Computerized Maintenance Management System	Includes asset management, equipment barcoding, asset inventory, vendor interface for work orders and issue reporting.	5,000	5,000	5,000
Public Space	Murray Street Park Playground Equipment	Requested as implementation of Murray Street Park Master Plan. Includes safety and accessibility upgrades.	-	-	50,000
Special Appropriations	Partnership to End Homelessness: Expansion Request	To fund bridge housing operations, coordinated entry personnel, and coordinated entry operations.	12,057	12,057	12,057
			17,057	17,057	67,057

## General Government

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# Governing Body

## FY2025 Operating & Capital Budget

### Key Operations

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Governing Body consists of the mayor and five-member Board of Commissioners. It is responsible for the town's legislative governance and general policy setting. The board hires and fires the town manager, who they direct to implement major policy decisions and address key services/operational needs in the community. The board also hires and fires the town attorney, who provides legal counsel, handles preparation of contracts, amendments to the code of ordinances, enforcement of certain provisions of the code and represents the town in court as directed by the governing body.

### FY24 Major Accomplishments

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### FY25 Major Budget Changes

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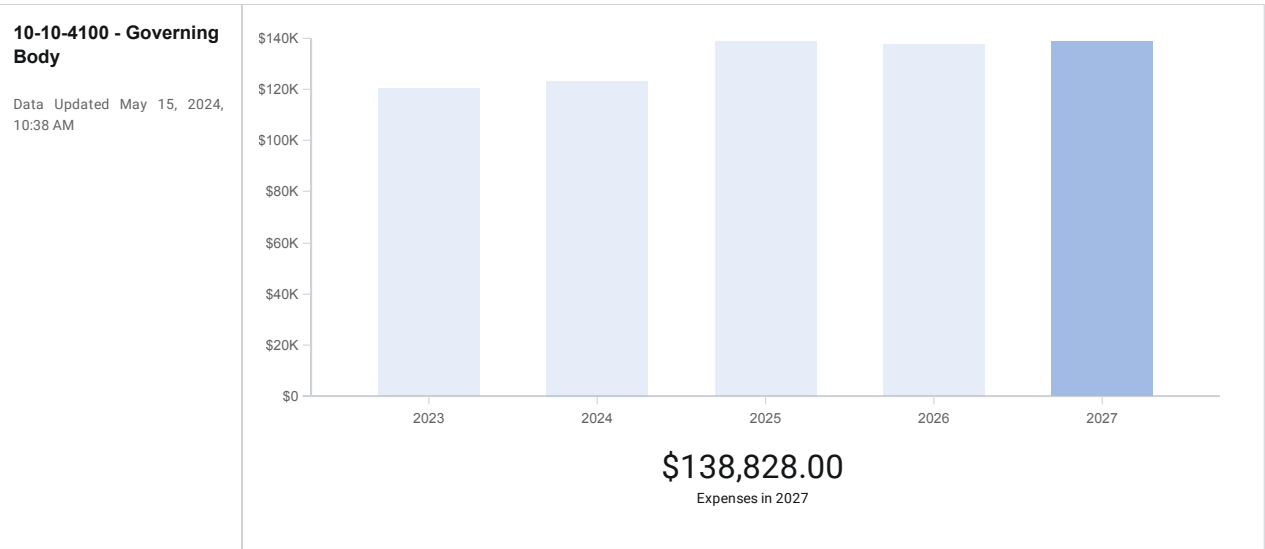
- No major forecasts or changes.

### Financial Forecast

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- No major forecasts or changes.

## Expenditures by Category



## Department Expenditure Summary

10-10-4100 - Governing Body

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$202,973	\$209,275	\$240,785	\$238,185	\$240,785
Personnel	\$47,897	\$47,920	\$48,108	\$48,113	\$48,428
Cost Allocations	-\$130,452	-\$133,740	-\$150,218	-\$148,869	-\$150,385
TOTAL	\$120,418	\$123,455	\$138,675	\$137,429	\$138,828



### Key Operations

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Administration provides the leadership, coordination, planning, and information dissemination function in implementing the Board of Commissioners' goals, objectives and policy. Administration also provides support services to the town's departments in the form of personnel management, annual budget and strategic plan preparation, record keeping of actions taken by the board and other official bodies of the town, maintenance of the Code of Ordinances and agenda preparation for board meetings. The town manager is responsible for the day-to-day operations of the town.

### FY24 Major Accomplishments

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- Developed FY24-26 Strategic Plan.
- Facilitated pilot community engagement program Engage Hillsborough (second session in Fall 2023, third session planned for Spring 2024).
- Conducted second year of Government 101, a multi-week course aimed at helping community members increase their knowledge of town government, as well as their interest and ability in influencing and participating in town decisions (rebranded from academy started in 2015 and paused in 2020).
- Developing new website expected to launch in Spring 2024.
- Provided foundational racial equity training to all town employees.
- Hosted summer graduate intern from the UNC School of Government's MPA program.
- Hosted Lead for NC Fellow from UNC School of Government.

### FY25 Major Budget Changes

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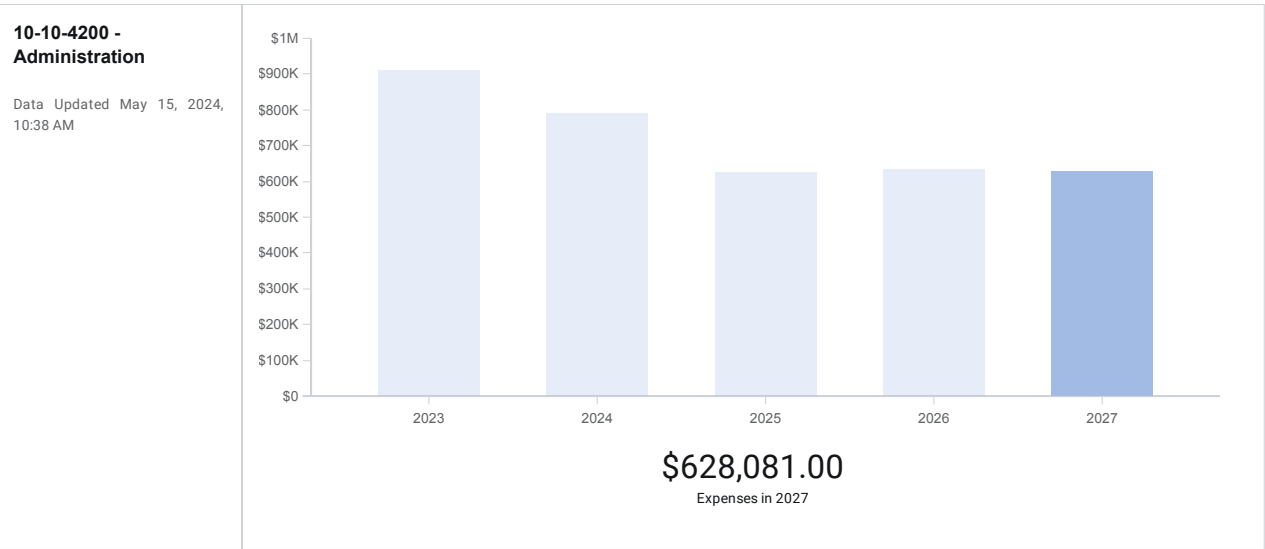
- Beginning in Fiscal Year 2025, the Human Resources and Communications functions previously allocated within the Administration budget unit will be separated into separate budget units. As a result, the requested allocation for Fiscal Year 2025, 2026 and 2027 are significantly less than year-end estimates for Fiscal Year 2024.

### Financial Forecast

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- No major forecasts or changes.

Expenditures by Category



Department Expenditure Summary

10-10-4200 - Administration

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$1,295,377	\$1,366,457	\$1,126,710	\$1,134,500	\$1,144,471
Operating	\$531,714	\$282,327	\$176,225	\$183,359	\$164,030
Debt Service	\$22,500	\$0	\$0	\$0	\$0
Capital	\$22,238	\$0	\$0	\$0	\$0
Cost Allocations	-\$961,558	-\$857,367	-\$677,525	-\$685,286	-\$680,420
TOTAL	\$910,271	\$791,417	\$625,410	\$632,573	\$628,081



### Key Operations

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The Accounting Division is responsible for managing all the fiscal affairs of the town and supporting the financial-related operations of its departments. It collects, records, deposits and disburses all funds for the town. The department maintains the town's fixed assets, oversees the collection and distribution of the food and beverage tax, processes accounts payable, prepares reports required by the state and federal governments, assists independent auditors during the annual audit and reviews accounting functions for all town departments. The department also coordinates and executes all municipal debt and bond issuance, debt service, refinancing transactions, distribution of information to financial advisors and rating agencies, monitors the town's debt portfolio for cost savings opportunities and provides advanced technical research and financial support for cash and investment management.

### FY24 Major Accomplishments

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- All town financial audits are now up to date. Audit completion had been delayed due to staff shortages.

### FY25 Major Budget Changes

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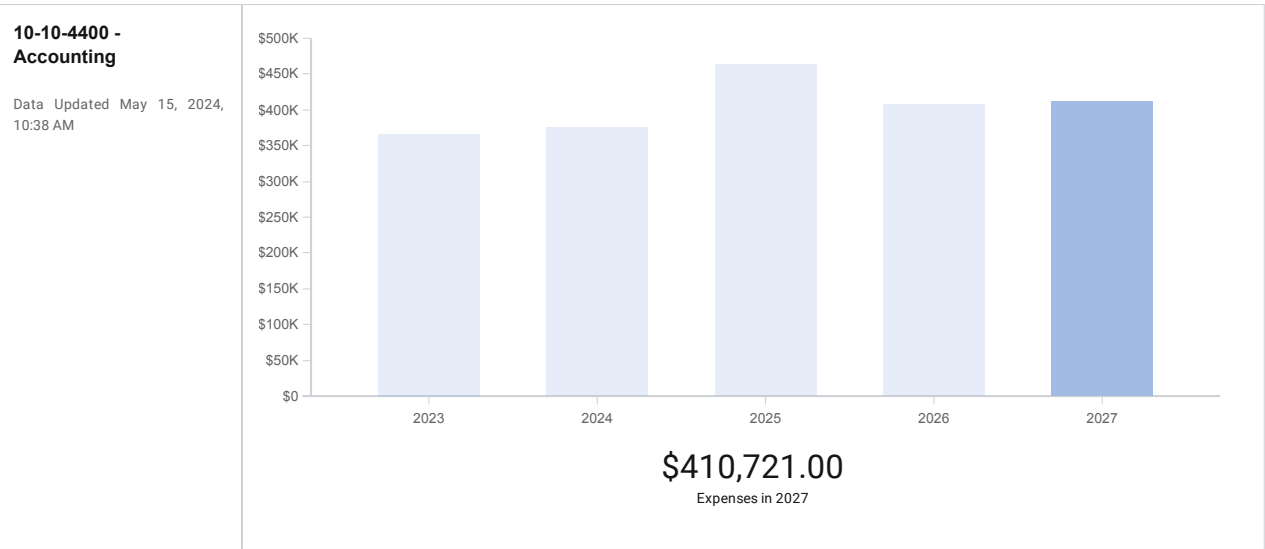
- In Fiscal Year 2025, the town will begin transitioning to a new accounting software/enterprise resource planning (ERP) software. The total cost of the new system will be partially offset by the savings from discontinuing the previous system.

### Financial Forecast

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- No major forecasts or changes.

Expenditures by Category



Department Expenditure Summary

10-10-4400 - Accounting

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$367,265	\$601,283	\$621,597	\$627,725	\$635,897
Operating	\$394,937	\$179,017	\$344,420	\$219,520	\$219,770
Cost Allocations	-\$396,345	-\$405,756	-\$502,328	-\$440,566	-\$444,946
TOTAL	\$365,857	\$374,544	\$463,689	\$406,679	\$410,721



### Key Operations

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The Human Resources Division is responsible for developing, interpreting and administering the personnel programs and policies that govern all town employees, including recruitment and selection, position classification and pay, personnel records, training and development, benefits administration, wellness, employee relations and equal employment opportunity.

### FY24 Major Accomplishments

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- Provided supervisor training on the top ways to avoid litigation with employees.
- Developed employee engagement committee to help increase employee morale and plan engagement activities and events amongst staff with the aim to increase employee work satisfaction and retention within the town.
- HR manager completed the 2-week Civics Fellow program through UNC Chapel Hill School of Government.
- HR analyst obtained Professional in Human Resources (PHR) certification.

### FY25 Major Budget Changes

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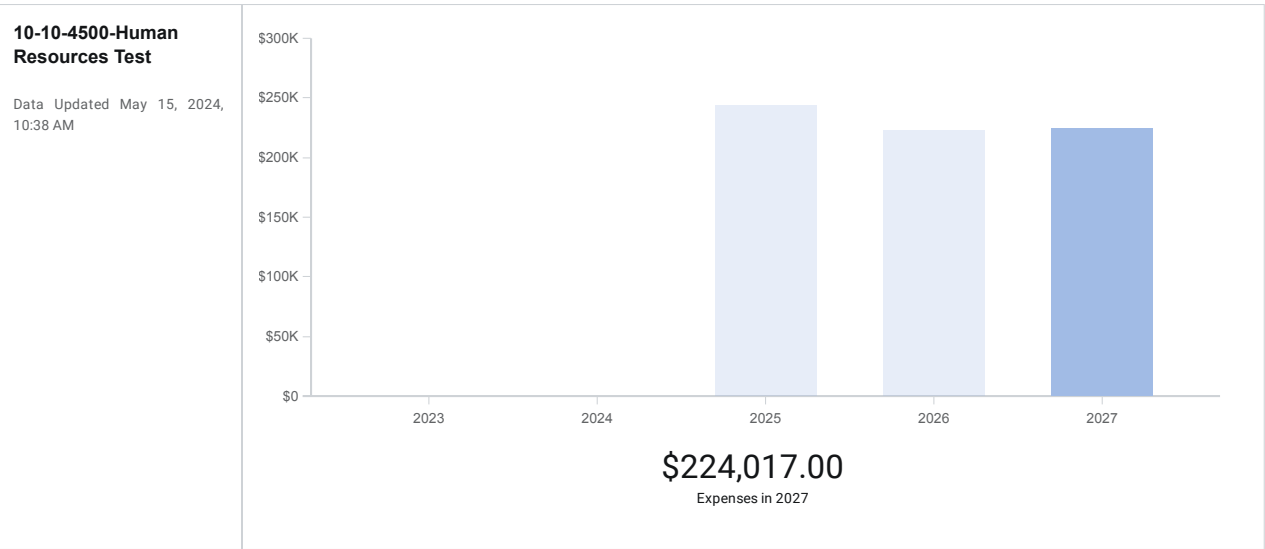
- Beginning in Fiscal Year 2025, the Human Resources division will be allocated as its own budget unit. Previously, the Human Resources function was included in the Administration budget unit.
- Biennial classification and pay study.
- Student loan assistance program included at a cost of \$3,600 per year. This program will assist town employees with student loan consultation services and the Public Service Loan Forgiveness (PSLF) program.

### Financial Forecast

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- Depending on the town's health insurance claims, the town could see premium rate increases. However, with the current status in NCHIP, the town is in a good financial standing.

Expenditures by Category



Department Expenditure Summary

10-10-4500 - Human Resources

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$0	\$0	\$313,273	\$315,505	\$317,951
Operating	\$0	\$0	\$193,058	\$148,456	\$148,748
Cost Allocations	\$0	\$0	-\$263,291	-\$241,259	-\$242,682
TOTAL	\$0	\$0	\$243,040	\$222,702	\$224,017





### Key Operations

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The Planning Division facilitates public interaction and participation in development review through advisory board membership, public meetings, hearings and direct communication. The primary function is development plan and permit review by staff and advisory boards. The division also works in specialty areas like historic preservation, addressing and code enforcement. Staff suggests ordinance or policy amendments to keep current with technology and trends, represents the town on regional planning committees and maintains records of advisory board actions.

### FY24 Major Accomplishments

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- Completed work on the Comprehensive Sustainability Plan.
- Developed new draft future land uses and started working on updating the future land use map.
- Hired and trained a new Planner II.

### FY25 Major Budget Changes

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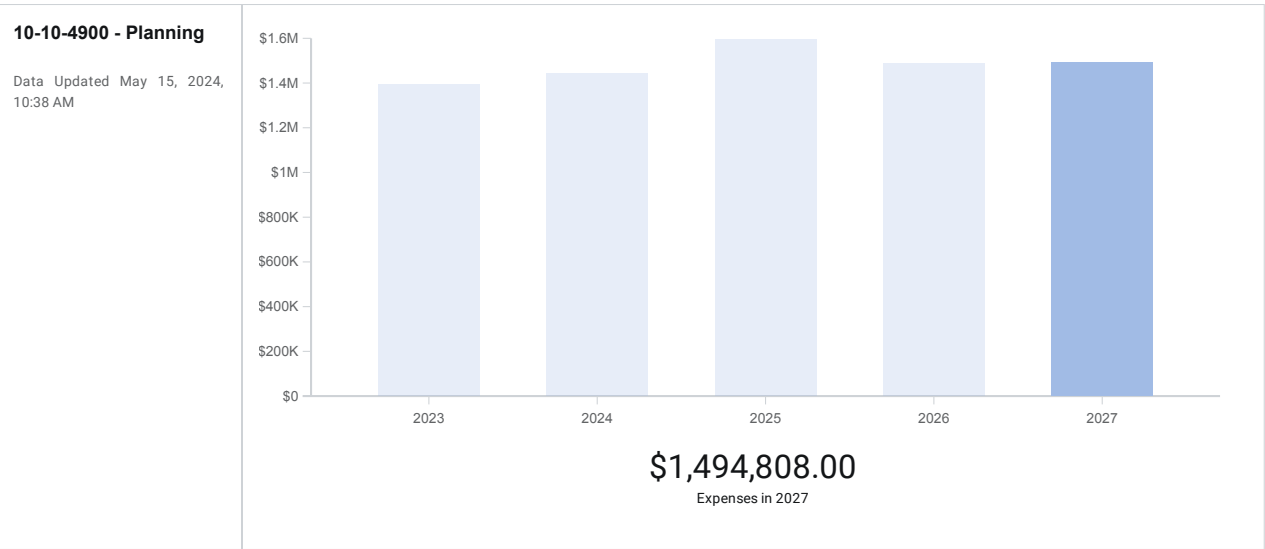
- Fiscal Year 2025 includes an allocation of \$60,000 for contracted code enforcement assistance. This allocation will allow the division to be more proactive and effective in enforcing town codes. Currently, code enforcement is generally reactive and driven by complaints.
- Fiscal Year 2025 includes an allocation of \$25,000 for an update to the historic district property inventory. The inventory update will capture new construction, modifications and renovations from the past 10 years.
- Fiscal Year 2025 includes an allocation of \$75,000 for a market feasibility study related to the 20-acre tract of land adjacent to the future passenger rail station. This plan will help the town determine the highest and best use of the property and inform development decisions on the property.

### Financial Forecast

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- No major forecasts or changes.

Expenditures by Category



Department Expenditure Summary

10-10-4900 - Planning

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$765,171	\$732,639	\$821,094	\$705,694	\$705,694
Personnel	\$630,000	\$707,918	\$775,967	\$782,268	\$789,114
TOTAL	\$1,395,171	\$1,440,557	\$1,597,061	\$1,487,962	\$1,494,808



### Key Operations

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The Facility Management division provides consolidated management of town facilities including routine maintenance and cleaning and repair contracts.

Before January of 2022, there was no formal, dedicated position that held Facility Maintenance as its sole function and responsibility. Now that there is a Facility Coordinator on staff to address issues that accumulated over the years, additional funding will be still needed to address those issues and to initiate a preventive maintenance program for the town's facilities.

### FY24 Major Accomplishments

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#### Exterior LED Lighting Upgrade at NC 86 Facility

- Removed 12 less efficient sodium halide bulbs and fixtures and replaced them with LED fixtures.
- No maintenance for the next 5 years.
- 70% more efficient.
- Replaced photocells during the process.

#### Remodeled 4 bathrooms at the Police Department

- Installed 4 pressure-assisted toilets that use 70% less water per flush at a 24-hour facility.
- Less maintenance due to fewer moving parts.

Replaced an aging 10 SEER HVAC unit with a 15 SEER unit at Town Hall Main House.

Added windows to a windowless office in the Administration Building.

Painted exteriors of Gold Park Bathroom and the Dorothy Johnson Community Center.

Replaced roof at Town Hall Main House.

Conducting a townwide facility assessment and an accessibility assessment in Spring 2024.

### FY25 Major Budget Changes

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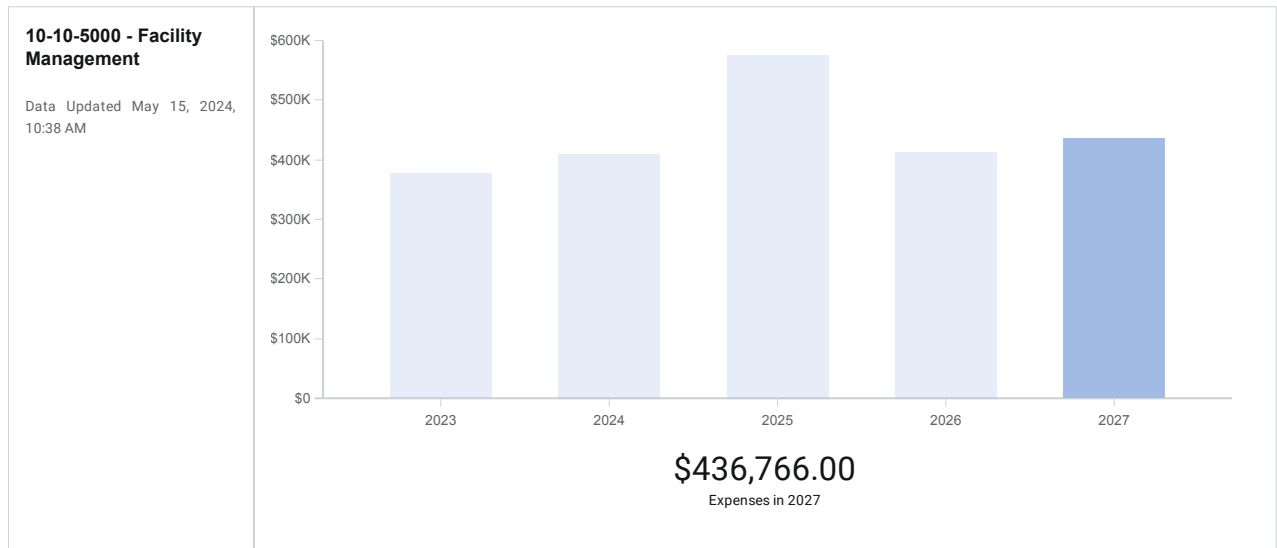
- Fiscal Year 2025 includes an allocation of \$35,000 for the replacement of the exterior staircase at the Administration Building. The staircase has been unsafe and unusable for a few years.
- Fiscal Year 2025 includes an allocation of \$73,000 for HVAC duct cleaning at all town buildings. Cleaning HVAC ducts is expected to result in energy savings, improved air quality and prolonged life of ductwork.
- Fiscal Year 2025 includes an allocation of \$125,000 for repair of the Police headquarters' elevator.

- Fiscal Year 2025 includes an allocation of \$15,000 for HVAC replacements at the main Town Hall campus. New HVAC systems are expected to improve energy efficiency and reduce maintenance needs and HVAC downtime.

## Financial Forecast

With inflation showing signs of slowing or leveling, material and building cost are predicted to remain at current levels.

## Expenditures by Category



## Department Expenditure Summary

10-10-5000 - Facility Management

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
<b>Operating</b>	\$234,201	\$266,783	\$442,694	\$317,874	\$323,119
<b>Debt Service</b>	\$205,078	\$200,172	\$200,172	\$200,172	\$200,172
<b>Personnel</b>	\$105,416	\$111,568	\$116,513	\$117,424	\$139,425
<b>Capital</b>	\$34,610	\$52,800	\$125,000	\$0	\$0
<b>Cost Allocations</b>	-\$202,757	-\$220,962	-\$309,532	-\$222,414	-\$225,950
<b>TOTAL</b>	<b>\$376,548</b>	<b>\$410,361</b>	<b>\$574,847</b>	<b>\$413,056</b>	<b>\$436,766</b>



### Key Operations

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The Public Space division funds the planning, development, and management of the town's parks, greenways and public spaces, including streets and sidewalks. These functions include managing the planning, design and construction of public projects, education, outreach, and coordination with community groups, overseeing ongoing maintenance and improvements to town property and the built environment and managing sustainability initiatives.

Connectivity and accessibility are key goals. The division focuses on multimodal connections between neighborhoods and area destinations. The division uses placemaking strategies and sustainability principles to ensure a healthy environment while also providing inviting spaces where residents and visitors can build community. The division integrates high quality design, public art, and amenities into the built environment.

### FY24 Major Accomplishments

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In FY24, Public Space oversaw the purchase and installation of the town's first permanent public art piece *Perpetual Bond* by TJ Christiansen, which was installed at Town Hall. Public Space staff also managed the first phase of a feasibility study for Ridgewalk which included developing alignments and cost estimates for the future greenway. The division also managed the Churton Street Multimodal Corridor Study which included significant outreach and public input gathering to inform the future plans for Hillsborough's main street corridor. Designs for the future train station and Highway 86 Fleet/Public Works facility were developed and permitting was initiated for both projects. Designs and construction documents were developed and approved for the future skatepark, and construction is underway. In coordination with Fairview Community Watch and summer interns, Public Space worked on the Dorothy N. Johnson Community Center to advance recommendations in the Activate Plan, including additional pedestrian amenities, landscaping, and building renovations. Two additional interpretive signs were designed and installed at Dickerson Chapel and the Occaneechi Village Replica site in River Park. Public Space continued to staff the Parks and Recreation Board and Tree Board and oversaw the town's Bee City USA and Tree City programs, as well as programs such as the "Leave the Leaves" campaign and invasive species removal volunteers. Public Space staff crafted a Vision Zero policy for the town which was approved by resolution in November. Public Space continued to participate in the Engage Hillsborough series with an event in October that was focused on connectivity. Public Space continues to lead the town's sustainability efforts including the Solarize campaign and other clean energy projects.

### FY25 Major Budget Changes

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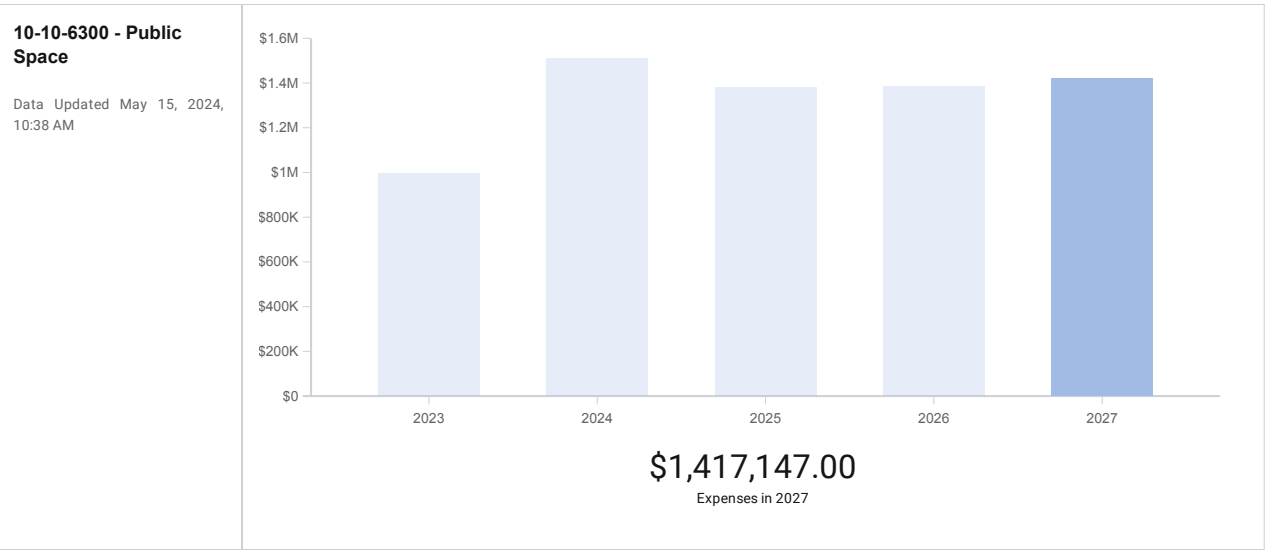
- Fiscal Year 2025 includes a \$25,000 allocation for providing recycling containers at all town parks.
- Fiscal Year 2025 includes a \$30,000 allocation for the transition of all remaining non-LED streetlights to LED fixtures.

### Financial Forecast

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- Storywalk in Gold Park budgeted for Fiscal Year 2026: \$12,000

Expenditures by Category



Department Expenditure Summary

10-10-6300 - Public Space

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Interfund Transfers	\$360,000	\$802,003	\$686,000	\$743,000	\$793,000
Operating	\$341,370	\$428,270	\$473,812	\$419,918	\$399,983
Personnel	\$223,468	\$223,910	\$233,334	\$235,950	\$237,928
Debt Service	\$84,515	\$73,353	\$0	\$0	\$0
Cost Allocations	-\$13,764	-\$13,764	-\$13,764	-\$13,764	-\$13,764
TOTAL	\$995,589	\$1,513,772	\$1,379,382	\$1,385,104	\$1,417,147



# Safety & Risk Management

## FY2025 Operating & Capital Budget

### Key Operations

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The Safety and Risk Management Division plans, develops, coordinates and manages the safety and risk management programs for the town. The division ensures that safety regulations are followed, conducts inspections of town facilities, investigates accidents with recommendations for corrective actions, implements OSHA-mandated safety training, manages the town's random drug testing program and establishes policies and procedures for compliance with federal and state OSHA regulations. The Safety and Risk Management Division also manages the towns property & liability insurance and the workers' compensation insurance policies; identifies and analyzes risks that could potentially impact employees and citizens, and/or incur financial loss; reviews renewals, updates, and adds/deletes all assets, i.e., fleet, facilities, k-9 officers; files and reviews claims and losses; classifies risks as to frequency, potential severity and financial impact.

### FY24 Major Accomplishments

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- An air monitoring system has been introduced and acquired for use in the Utilities, Fleet Maintenance, and Public Works Divisions. This monitoring system has extraordinary capabilities of atmospheric measurement and notification when used in unfavorable conditions like permit-required confined spaces. Town employees enter these spaces on a regular basis and the air monitors are paramount for their safety. The system has a self-calibration function, employee identification function, and a notification option. These options are crucial for ensuring employee safety while working in unfavorable atmospheres.
- Securing much needed AED replacement parts for current units (Lifepak CR Plus) that are widely used throughout the town. The Safety and Risk Management Division is also adding new units to the Police, Utilities, and Public Works Divisions.
- Specialized trainings offered for all employees. Maintaining compliance with the Occupational Safety and Health Administration (OSHA) is crucial for all employee's safety. Ensuring that all employees receive training associated with their job duties enables them the ability to identify workplace hazards and helps to reduce incidents. Multiple trainings are and have been offered throughout the year.
- The Safety Committee Policy/Program reviews are in motion. The committee has been reviewing policies all year in the monthly meetings. This effort is ongoing and tedious, as the committee tries to be particular and thorough with all involved. Having an individual from all departments represented in the committee offers multiple opinions and views. The committee is also current on incident reviews.
- The town has maintained the STAR endorsement and is actively participating in partnering with surrounding municipalities and businesses to help ensure safety throughout the county and state.
- Annual fire extinguisher audit was performed as outlined in the 29 CFR 1910.157 OSHA General Industry Regulations.
- Annual shoe event was completed as outlined in the 29 CFR 1910.132 OSHA General Industry Regulations.

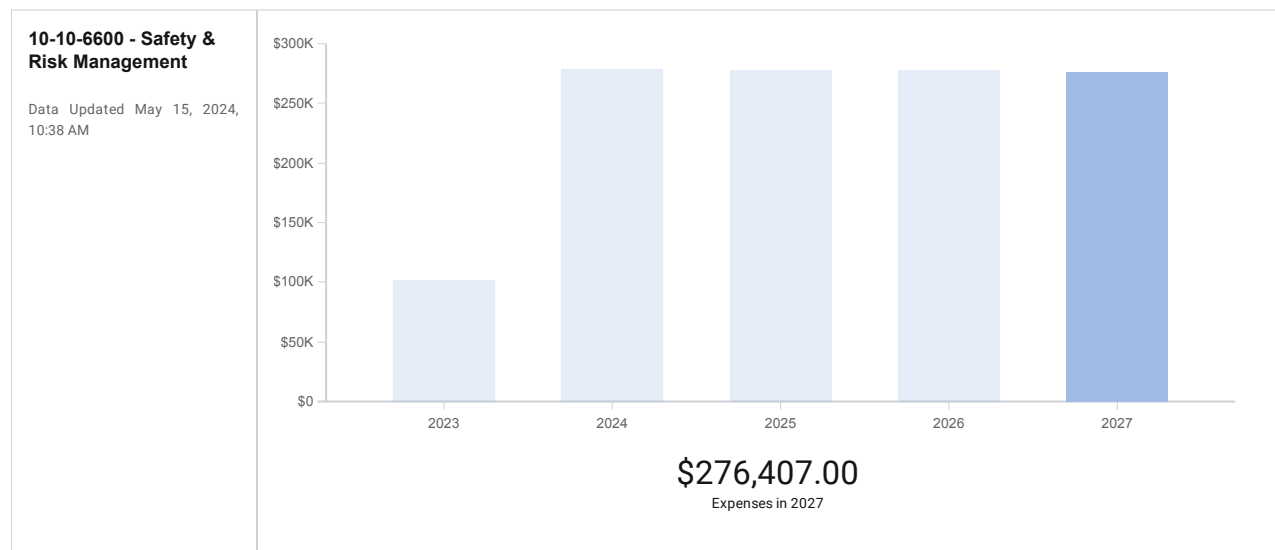
## FY25 Major Budget Changes

- The town has entered a contractual agreement with the air monitor system mentioned above.
- Safety and Risk Management, Public Works, and Utilities are actively searching for a suitable replacement for the current auto-flagger traffic control devices. The decision has not been made and follow should occur soon.
- Maintaining and replacing outdated AED units.

## Financial Forecast

- Extra funds will be needed for future fire extinguisher needs due to increased pricing. The current budget was not sufficient and exceeded the allotted budget amount. The projection has been increased for the upcoming budget cycle.
- Workers' compensation and property & liability premiums are increasing constantly. The division has assessed a 7-10% increase in the budget as a best estimate of future increase amounts.

## Expenditures by Category



## Department Expenditure Summary

10-10-6600 - Safety & Risk Management

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$81,339	\$416,790	\$437,365	\$437,055	\$431,950
Personnel	\$131,069	\$138,206	\$141,702	\$142,755	\$143,896
Capital	\$0	\$27,113	\$0	\$0	\$0
Cost Allocations	-\$110,452	-\$302,696	-\$301,114	-\$301,501	-\$299,439
TOTAL	\$101,956	\$279,413	\$277,953	\$278,309	\$276,407





### Key Operations

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Information Technology maintains and improves the town's information services infrastructure, provides IT support for town personnel, provides cybersecurity protection; scanning, updating definitions, provides timely application of system patches; maintains, tests and monitors data backup and recovery services; provides recommendations on computers, tablets, servers and other hardware replacements and enhancements; and provides network security enhancements.

### FY24 Major Accomplishments

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- Completed vendor selection and preparation for implementation of a centralized building security and access system in town buildings.
- Completed several network equipment upgrade projects, including three servers and two Meraki switches.
- Enhanced cybersecurity through continuing remediation of external vulnerabilities; securing our cloud-based Microsoft 365 tenant; and maintaining PCI compliance through our migration to Tyler Payment credit card processing, upgraded credit card readers, and mandatory PCI annual training for affected staff.
- Completed audio visual equipment enhancements and upgrades for the Board Meeting Room.
- Continued work to implement a fiber network interconnecting all town buildings to provide reliable high-speed connectivity.

### FY25 Major Budget Changes

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- Continue implementation of a centralized building security and access system in town buildings.
- Implement Microsoft Intune to provide cybersecurity measures to devices accessing our Microsoft cloud tenant.
- Begin implementation of an enterprise-wide asset management/workflow solution. This proposal is included in the budget at a cost of \$55,000 in Fiscal Year 2025 and \$62,000 in Fiscal Years 2026 and 2027.
- Upgrade Digium Phone System phone sets as the current D-series phone sets have been discontinued by the manufacturer.
- Complete CISA Ransomware Readiness Assessment and resolve highest priority vulnerability requirements.

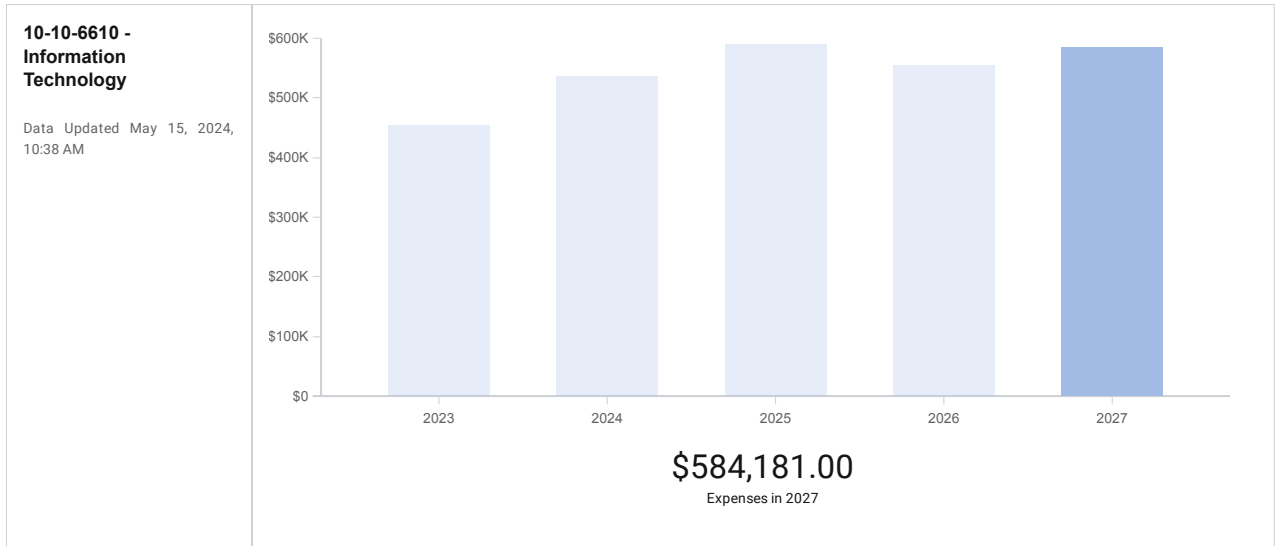
### Financial Forecast

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- Expand a centralized building security and access system throughout all town buildings.
- Expand use of an enterprise-wide asset management/workflow solution.

- Continue implementing an efficient centralized network infrastructure utilizing a fiber network interconnecting all town buildings.
- Expand Information Technology onsite staff.

## Expenditures by Category



## Department Expenditures

10-10-6610 - Information Technology

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
<b>Operating</b>	\$495,307	\$849,302	\$951,179	\$865,288	\$924,824
<b>Personnel</b>	\$162,049	\$171,737	\$177,882	\$180,850	\$182,217
<b>Capital</b>	\$93,739	\$45,000	\$50,000	\$60,000	\$60,000
<b>Interfund Transfers</b>	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
<b>Debt Service</b>	\$15,000	\$0	\$0	\$0	\$0
<b>Cost Allocations</b>	-\$362,880	-\$580,339	-\$639,111	-\$601,191	-\$632,860
<b>TOTAL</b>	<b>\$453,215</b>	<b>\$535,700</b>	<b>\$589,950</b>	<b>\$554,947</b>	<b>\$584,181</b>

## Public Safety

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### Key Operations

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The Police Department ensures that all town codes, policies, and North Carolina laws are enforced, aims to provide outstanding customer service and to have positive interactions with the residents of Hillsborough, responds to emergency and non-emergency 911 calls for service, monitors and enforces traffic laws and identifies and solves community problems. The Police Department is also responsible for conducting investigations of all major cases and carrying out a variety of outreach programs and special assignments related to public safety and crime prevention.

### FY24 Major Accomplishments

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- Completed property room renovation project, creating a new property space downstairs with pass-through lockers, new shelving and storage system for both downstairs and upstairs property spaces, and new storage systems for guns and drugs.
- Replaced several vehicles, which has been difficult to do as vehicles have been hard to find.
- Added two position to give the Patrol Division better coverage.

### FY25 Major Budget Changes

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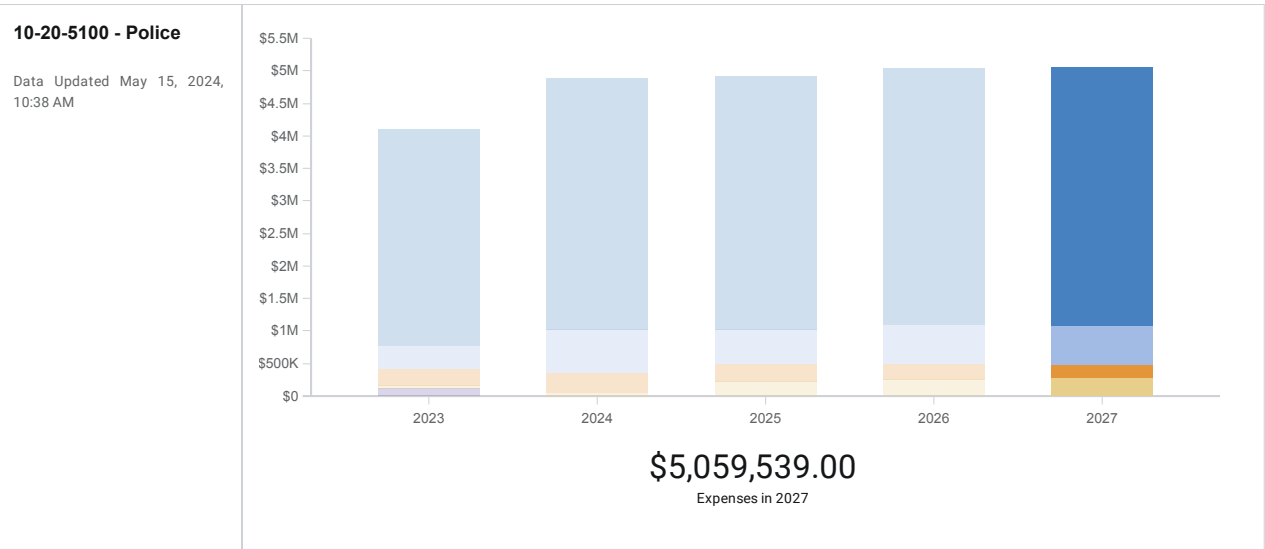
- An allocation of \$82,000 is included in Fiscal Year 2025 for the mandated radio system upgrade and will ensure the department's handheld and vehicle radios remain compliant and can continue to use the state VIPER radio system.
- Beginning in Fiscal Year 2025, the budget includes funding to replace 2 vehicles in the department's fleet each year. In addition, the proposed budget includes set-aside funding to fund the replacement of future years' vehicles. This will eliminate the need to pursue installment financing for vehicle replacements. The net costs of this proposal is approximately \$200,000 per year.

### Financial Forecast

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- Replace in-car camera system: The current system is older technology, and some cameras are starting to fail. There are a number of new products we are exploring, including possibly linking on in-car system to body camera system. These costs are budgeted at \$100,000 in each Fiscal Year 2026 and 2027.

Expenditures by Category



Department Expenditure Summary

10-20-5100 - Police

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$3,326,965	\$3,866,295	\$3,903,540	\$3,937,337	\$3,988,586
Operating	\$345,100	\$664,984	\$528,170	\$591,053	\$595,953
Capital	\$248,488	\$309,301	\$265,000	\$250,000	\$200,000
Interfund Transfers	\$50,000	\$50,000	\$225,000	\$250,000	\$275,000
Debt Service	\$117,080	\$0	\$0	\$0	\$0
TOTAL	\$4,087,634	\$4,890,580	\$4,921,710	\$5,028,390	\$5,059,539



# Fire Protection

## FY2025 Operating & Capital Budget

### Key Operations

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The town contracts for fire protection services with the Orange Rural Fire Department (ORFD). Each year ORFD submits requests to the town board to cover the cost of providing fire protection within the town limits of Hillsborough and maintaining necessary upgrades to the station, which is owned by the town.

The town contracts fire inspections with Orange County.

### FY24 Major Accomplishments

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- Implemented ORFD pay plan. Salaries were found to be 15% below market rate.
- Completed construction and moved into new Waterstone station.

### FY25 Major Budget Changes

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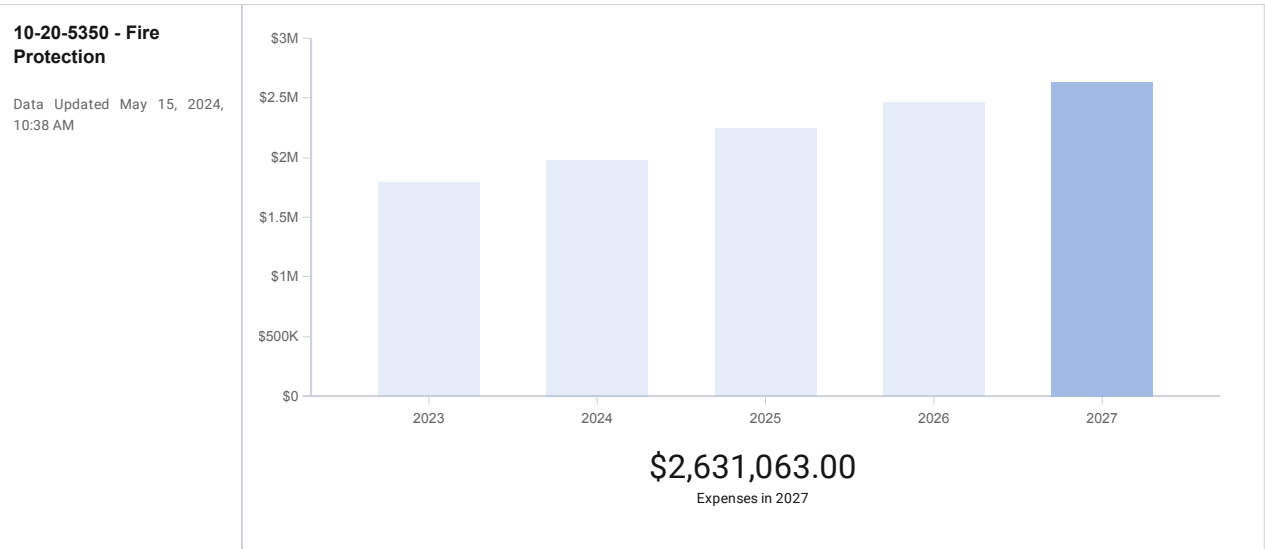
- Fiscal Year 2025 includes an additional allocation for additional hired firefighters. These funds are included for 7 months of Fiscal Year 2025 and full-year allocations in Fiscal Years 2026 and 2027.
- Continue to set aside funds for N. Churton St. fire station design.

### Financial Forecast

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- Engine Truck Replacement (FY30)
- Ladder Truck Replacement (FY32)

Expenditures by Category



Department Expenditure Summary

10-20-5350 - Fire Protection					
	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$1,634,977	\$1,752,791	\$1,942,335	\$2,081,955	\$2,181,063
Interfund Transfers	\$150,000	\$225,000	\$300,000	\$375,000	\$450,000
TOTAL	\$1,784,977	\$1,977,791	\$2,242,335	\$2,456,955	\$2,631,063

## Public Works

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# Fleet Maintenance

## FY2025 Operating & Capital Budget

### Key Operations

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Fleet Maintenance conducts and manages a scheduled maintenance program for all town equipment and vehicles. It also maintains a parts inventory; conducts emergency and standard repairs to vehicles and equipment; assists departments with equipment purchases; and auctions surplus equipment for all departments in the town. Fleet Maintenance provides a wash pit area for other departments and maintains all equipment records.

### FY24 Major Accomplishments

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- Fleet staff became more experienced with our new heavy truck repair software.
- Continued to operate without major complaints from the departments that we serve.
- Leaf season was a success, with no major failures on the leaf machines needed due to pre-season maintenance and repair.

### FY25 Major Budget Changes

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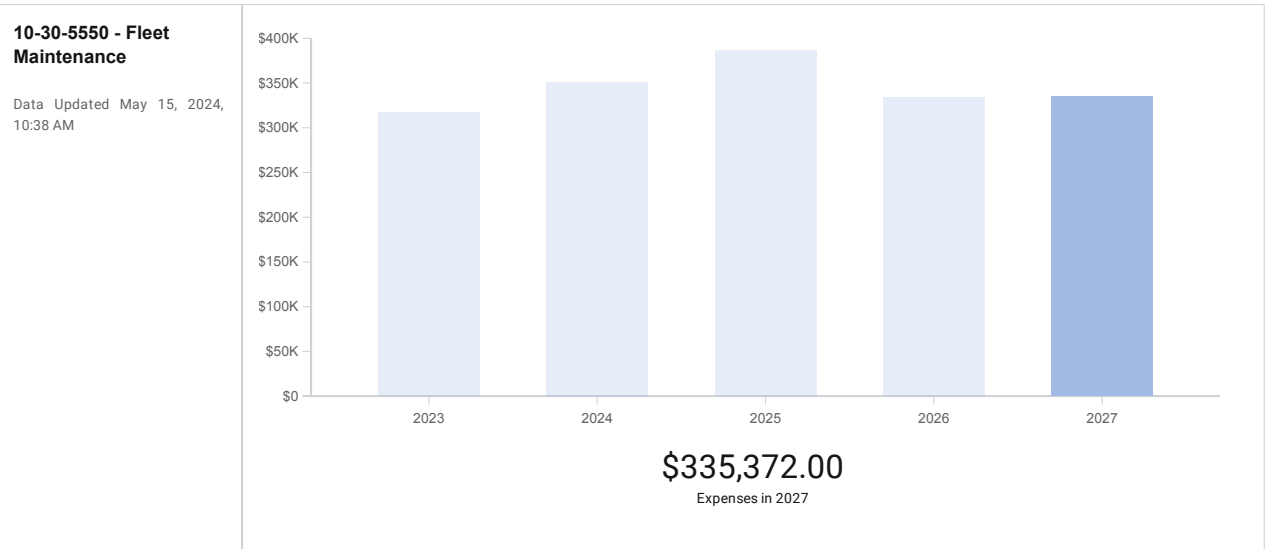
- Two outside roll-up garage doors for the repair facility will allow Fleet to work on the long, medium duty trucks with the shop doors closed, reducing the amount of repairs that need to be done by outside vendors. This one-time expense is scheduled for Fiscal Year 2025 at a cost of \$30,200.
- New A/C machine to enable work with new type of automotive refrigerant. This one-time expense is scheduled for Fiscal Year 2025 at a cost of \$7,500.

### Financial Forecast

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- Continue to contract out repairs to the dealer for Wastewater Collection's Vector truck. Training is not offered by the manufacturer on this truck and Fleet staff are not trained to repair this complex machine.
- Some outside repairs will still be needed on the F-450 trucks due to the shop not having the proper equipment to repair these trucks.

Expenditures by Category



Department Expenditure Summary

10-30-5550 - Fleet Maintenance

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$341,666	\$362,215	\$363,791	\$366,589	\$369,652
Operating	\$127,215	\$144,380	\$196,955	\$183,750	\$182,780
Debt Service	\$76,970	\$75,190	\$36,928	\$0	\$0
Capital	\$0	\$0	\$37,700	\$0	\$0
Cost Allocations	-\$228,592	-\$231,118	-\$248,842	-\$216,208	-\$217,060
TOTAL	\$317,259	\$350,667	\$386,532	\$334,131	\$335,372



### Key Operations

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The Streets Division conducts street, sidewalk, and curb-and-gutter repair, pavement resurfacing, and ice and snow removal and control. The division also repairs street cuts made by the Water & Sewer Department, maintains signs and rights-of-way, and provides services to assist the Public Space and Stormwater Divisions. Streets also utilizes restricted local use state-shared gasoline tax revenues, known as Powell Bill funds, to maintain and enhance town streets and pedestrian systems.

### FY24 Major Accomplishments

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- Public Works made progress on getting several trip hazards repaired along the sidewalk system.
- Completed the paving of Waterstone Drive.
- Reported several streetlight outages to Duke Energy.
- Removed unsafe and fallen trees from streets, public rights-of-way, and on town property.
- Performed several driveway/sidewalk inspections for new residential homes and commercial property that have impacted the right-of-way. The division also has a utility cut permit in place for contractors performing work within the right-of-way.
- Performed maintenance on about 2,500 linear ft. of stormwater swales and ditches.

### FY25 Major Budget Changes

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- Fiscal Year 2025 includes a one-time allocation of \$2.1 million as a transfer to the capital projects fund for the NC86 renovation project. This cash financing for the project avoids the need to pursue installment financing for the project.
- Resurface all of the town's poorly rated streets, as indicated by the recent survey, with funds accumulated through Powell Bill and capital infrastructure. This will make all town streets rated "fair" or better and will equal about 5.5 miles of paved streets, which is almost triple the normal amount of 2 miles.
- Additional funds for more sidewalk repairs to address an average current hazard occurrence every 52 feet of sidewalk at a few locations throughout town.
- Fiscal Year 2025 includes the addition of new, recurring funding for engineering inspections at new developments. This program will allow the review and inspection of developer-installed infrastructure to ensure compliance with town standards before being turned over to the town's possession. The budget includes an allocation of \$15,000 in each year for this effort.
- Fiscal Year 2025 includes a capital outlay allocation for replacement of a Streets Division truck at a cost of \$69,106.

## Financial Forecast

- Anticipate increased service and maintenance demand as residential development increase.
- Stormwater maintenance requests continue to increase.
- Continue to address deteriorating streets and repair sidewalks.

## Expenditures by Category



## Department Expenditure Summary

10-30-5600 - Streets

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Interfund Transfers	\$227,148	\$1,307,650	\$2,290,000	\$81,000	\$81,000
Operating	\$328,296	\$1,047,913	\$845,412	\$585,646	\$589,826
Personnel	\$270,709	\$300,590	\$327,418	\$330,238	\$333,400
Capital	\$386,979	\$95,000	\$445,050	\$210,000	\$210,000
TOTAL	\$1,213,132	\$2,751,153	\$3,907,880	\$1,206,884	\$1,214,226



### Key Operations

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The Solid Waste Division provides residential garbage, yard waste, and bulk item pick-up and disposal.

### FY24 Major Accomplishments

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- Collected residential solid waste on schedule, except during snow and ice events.
- Distributed over 600 tons of leaves to Hillsborough residents and local farmers to use as compost.
- Continued to provide great service while handling the increase in residential homes.
- Replaced the current rear loading garbage truck with a smaller more versatile truck and the purchase was funded by the sale of previous Solid Waste equipment.

### FY25 Major Budget Changes

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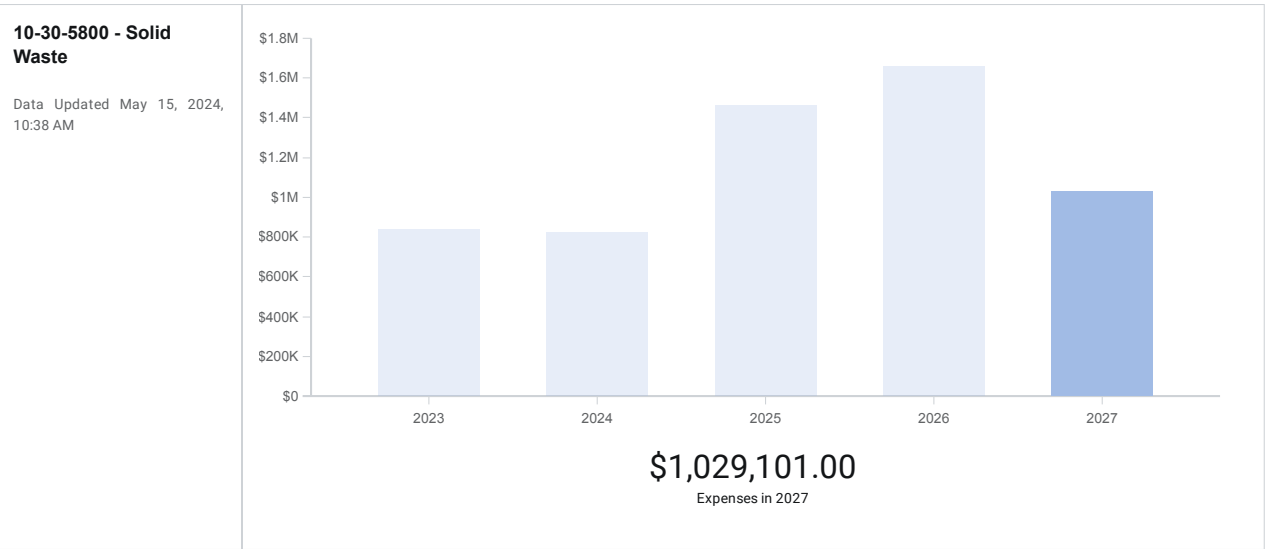
- Replace leaf truck in Fiscal Year 2025: \$376,506.
- Fiscal Year 2025 includes a one-time expense for a new RTV vehicle to replace unreliable electric Club Car that is currently in use for Riverwalk/parks at a budgeted cost of \$23,000.

### Financial Forecast

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- Replace automated garbage truck in Fiscal Year 2026: \$362,006
- Replace knuckleboom brush truck in Fiscal Year 2026: \$227,006

Expenditures by Category



Department Expenditure Summary

10-30-5800 - Solid Waste

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$370,542	\$389,268	\$409,165	\$413,489	\$418,941
Interfund Transfers	\$144,822	\$145,000	\$335,000	\$335,000	\$343,000
Operating	\$203,584	\$225,018	\$254,166	\$264,172	\$267,160
Capital	\$55,869	\$0	\$397,500	\$585,000	\$0
Debt Service	\$62,617	\$62,618	\$62,618	\$62,618	\$0
TOTAL	\$837,433	\$821,904	\$1,458,449	\$1,660,279	\$1,029,101



# Cemetery

## FY2025 Operating & Capital Budget

### Key Operations

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The Cemetery Division identifies and marks gravesites for funerals and monument installation. The town has discontinued the sale of gravesites. The division maintains the town's cemeteries located on Margaret Lane, Corbin Street, and Tryon Street. The town has also contributed funds to maintain a private, abandoned cemetery on Cedar Grove Road.

### FY24 Major Accomplishments

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- Contracted with dry-stack stone mason to repair wall at Old Town Cemetery. This work is funded to continue through Fiscal Year 2026.

### FY25 Major Budget Changes

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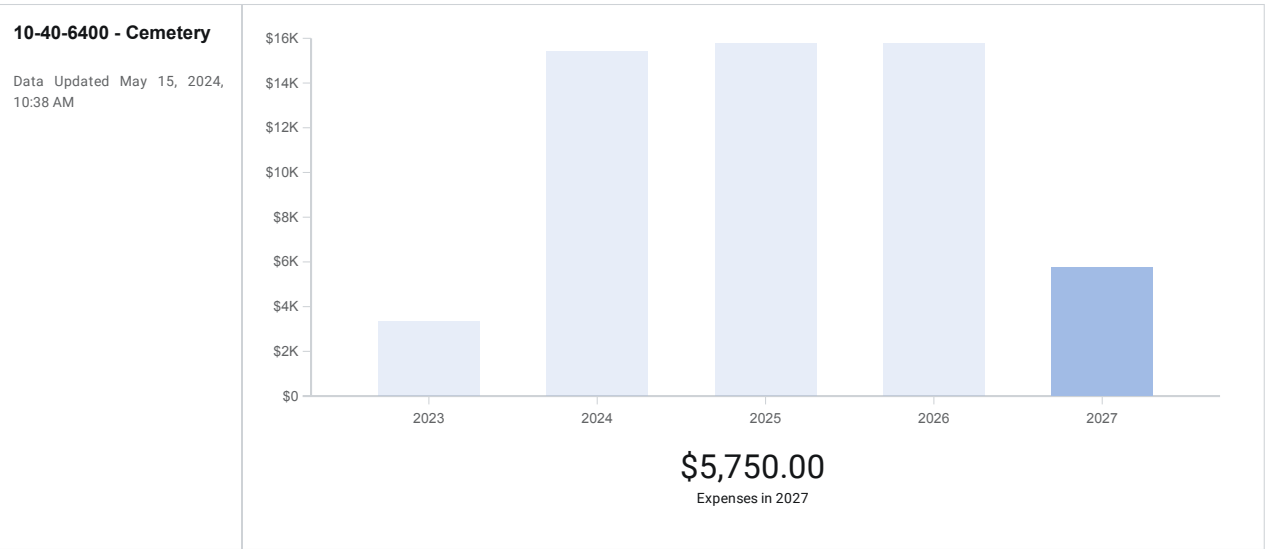
- No major forecasts or changes.

### Financial Forecast

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- No major forecasts or changes.

Expenditures by Category



Department Expenditure Summary

10-40-6400 - Cemetery

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$3,369	\$15,380	\$15,750	\$15,750	\$5,750
TOTAL	\$3,369	\$15,380	\$15,750	\$15,750	\$5,750



## Special Appropriations

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# Special Appropriations

FY2025 Operating & Capital Budget

## Key Operations

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Special Appropriations is an area where non-departmental costs are included in the annual budget. Traditionally, funding is provided for the Orange County Historical Museum since the town owns this building, the Hillsborough Arts Council, Exchange Club Park, Fairview Community Watch and contributions to other organizations that provide services that are available to Hillsborough residents.

## FY24 Major Accomplishments

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- Set aside funding committed for affordable housing.
- Contributed funding to Passenger Rail Station project.
- Contributed funding to Hillsborough Arts Council, Exchange Club Park and Fairview Community Watch.

## FY25 Major Budget Changes

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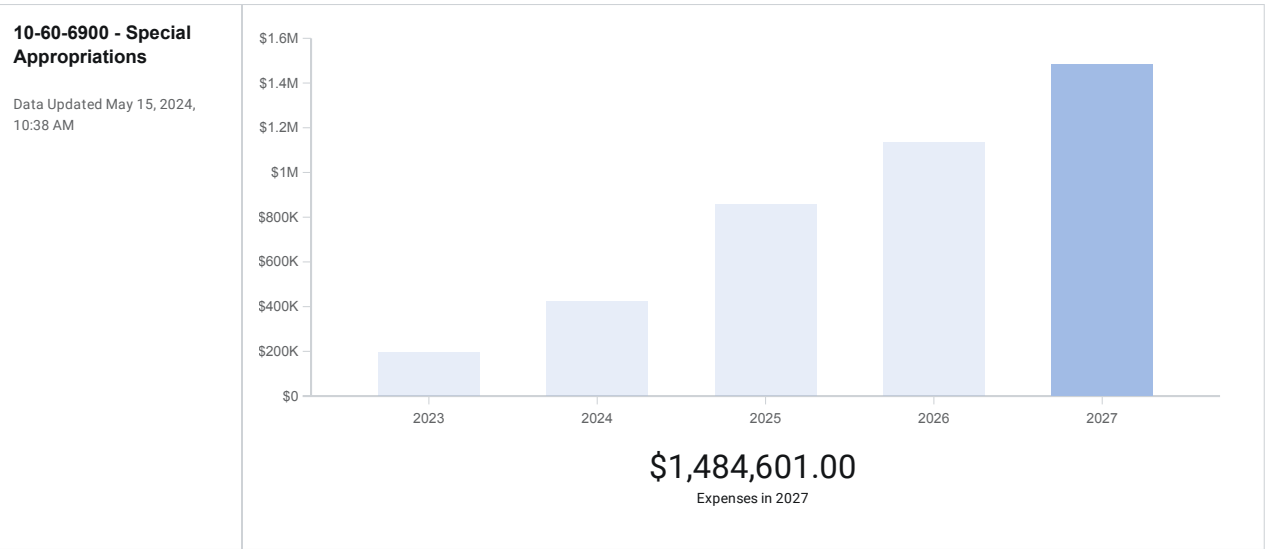
- Affordable housing contributions will continue to ramp up until the 2-cent property tax commitment is reached.
- In Fiscal Year 2025, the General Fund will contribute \$150,000 for utility location efforts funded within Special Appropriations. The remaining portion of the total costs of utility locations will be funded in the Water & Sewer Operating Fund.

## Financial Forecast

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- Affordable housing contributions will continue to ramp up until the 2-cent property tax commitment is reached.
- Fiscal Years 2026 and 2027 include allocations to implement the forthcoming compensation and class study for employees. This allocation is \$165,000.
- Expenditures for the debt service on the Passenger Rail Station are included for Fiscal Year 2027 at an allocation of \$36,104.

Expenditures by Category



Department Expenditure Summary

10-60-6900 - Special Appropriations

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$69,235	\$161,517	\$497,241	\$852,741	\$1,091,241
Interfund Transfers	\$0	\$72,594	\$161,391	\$236,391	\$312,391
Debt Service	\$92,468	\$69,502	\$47,228	\$46,047	\$80,969
Cost Allocations	\$0	\$97,500	\$150,000	\$0	\$0
Capital	\$35,000	\$20,000	\$0	\$0	\$0
TOTAL	\$196,703	\$421,113	\$855,860	\$1,135,179	\$1,484,601

## Contingency

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### Key Operations

The Contingency budget unit is designed to assist the town in covering any unanticipated expenditures. It also allows the town to take advantage of opportunities that arise during the fiscal year that may not be available later. The Contingency allocation cannot exceed 5 percent of all other appropriations in the same fund.

### FY24 Major Accomplishments

- N/A

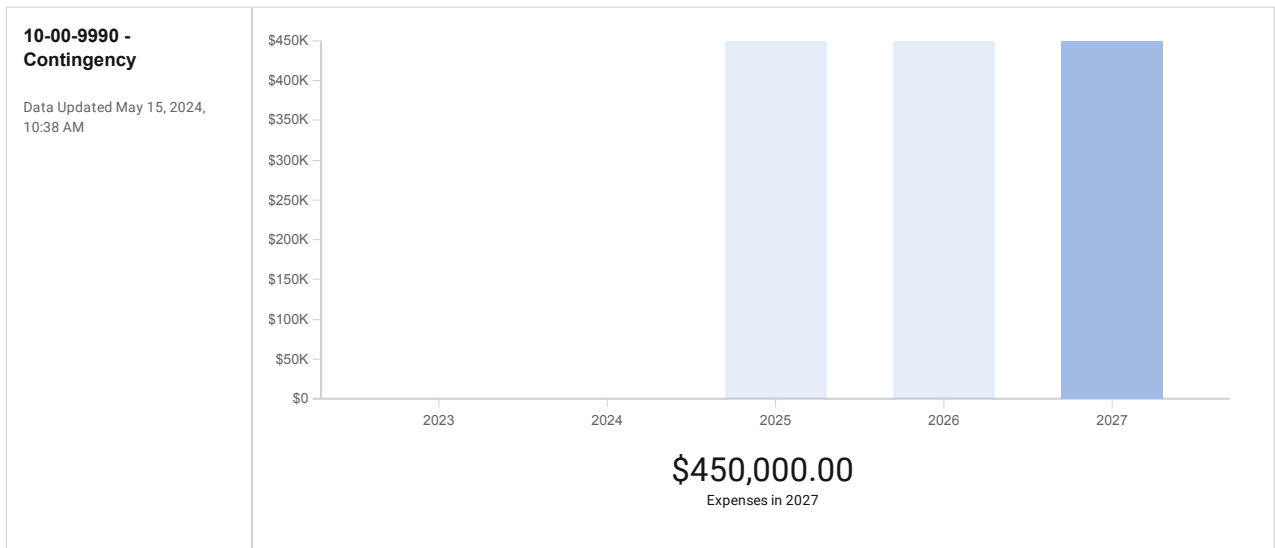
### FY25 Major Budget Changes

- N/A

### Financial Forecast

- N/A

### Expenditures by Category



### Department Expenditure Summary

10-00-9990 - Contingency

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$0	\$0	\$450,000	\$450,000	\$450,000
TOTAL	\$0	\$0	\$450,000	\$450,000	\$450,000

# General Capital Improvement Plan

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# Capital Improvement Plan Summary

## Capital Improvement Plan (FY25-FY31)

### General Capital Improvements Expenditures by Project

#### General CIP Expenditures by Project

Worksheet Name	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Passenger Rail/Multi-Modal Station	\$8,239,000	\$2,200,000	\$0	\$0	\$35,000	\$35,000	\$35,000
N. Churton Street Fire Station	\$450,000	\$300,000	\$375,000	\$450,000	\$525,000	\$600,000	\$7,300,000
Ridgewalk Greenway - Phase III	\$0	\$0	\$0	\$0	\$800,000	\$0	\$8,000,000
Ridgewalk Greenway - Phase I & II	\$209,003	\$333,000	\$0	\$0	\$0	\$4,500,000	\$0
NC86 Facility Renovation	\$4,825,982	\$22,000	\$7,000	\$0	\$0	\$0	\$0
Engine Truck	\$0	\$0	\$0	\$0	\$0	\$0	\$802,006
Leaf Truck Replacement - #833	\$0	\$0	\$0	\$0	\$0	\$377,006	\$0
Leaf Truck Replacement - #222	\$0	\$376,506	\$0	\$0	\$0	\$0	\$0
Garbage Truck Replacement - #229	\$0	\$0	\$362,006	\$0	\$0	\$0	\$0
Garbage Truck Replacement - 2023	\$0	\$0	\$0	\$0	\$0	\$0	\$362,006
Garbage Truck Replacement - #202	\$0	\$0	\$0	\$0	\$0	\$362,006	\$0
Knuckleboom Truck Replacement - #279	\$0	\$0	\$0	\$0	\$0	\$227,006	\$0
Knuckleboom Truck Replacement - #253	\$0	\$0	\$227,006	\$0	\$0	\$0	\$0
South Churton Street Improvements Cost Share	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0
TOTAL	\$13,723,985	\$3,231,506	\$971,012	\$450,000	\$1,360,000	\$6,201,018	\$16,499,012

Worksheet Name	2030-31	Total
Passenger Rail/Multi-Modal Station	\$35,000	\$10,579,000
N. Churton Street Fire Station	\$15,000	\$10,015,000
Ridgewalk Greenway - Phase III	\$0	\$8,800,000
Ridgewalk Greenway - Phase I & II	\$0	\$5,042,003
NC86 Facility Renovation	\$0	\$4,854,982
Engine Truck	\$0	\$802,006
Leaf Truck Replacement - #833	\$0	\$377,006
Leaf Truck Replacement - #222	\$0	\$376,506
Garbage Truck Replacement - #229	\$0	\$362,006
Garbage Truck Replacement - 2023	\$0	\$362,006
Garbage Truck Replacement - #202	\$0	\$362,006
Knuckleboom Truck Replacement - #279	\$0	\$227,006
Knuckleboom Truck Replacement - #253	\$0	\$227,006
South Churton Street Improvements Cost Share	\$0	\$100,000
TOTAL	\$50,000	\$42,486,533

### General Capital Improvements Revenues by Type

#### General CIP Revenues by Type

Object Type	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Debt Issuance Proceeds	\$560,000	\$1,550,000	\$0	\$0	\$0	\$4,500,000	\$15,425,000
Interfund Transfers	\$4,403,653	\$1,007,500	\$960,000	\$450,000	\$1,325,000	\$1,660,000	\$1,035,000
Intergovernmental	\$7,586,000	\$650,000	\$0	\$0	\$0	\$0	\$0
Other	\$1,174,332	\$24,006	\$11,012	\$0	\$35,000	\$41,018	\$39,012
Restricted Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$13,723,985	\$3,231,506	\$971,012	\$450,000	\$1,360,000	\$6,201,018	\$16,499,012

Object Type	2030-31	Total
Debt Issuance Proceeds	\$0	\$22,035,000

Object Type	2030-31	Total
Interfund Transfers	\$0	\$10,841,153
Intergovernmental	\$0	\$8,236,000
Other	\$50,000	\$1,374,380
Restricted Revenue	\$0	\$0
TOTAL	\$50,000	\$42,486,533

## General Capital Improvements Financial Summary

### General CIP Financial Summary

Expenses	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Revenues	\$13,723,985	\$3,231,506	\$971,012	\$450,000	\$1,360,000	\$6,201,018	\$16,499,012
Expenses	\$13,723,985	\$3,231,506	\$971,012	\$450,000	\$1,360,000	\$6,201,018	\$16,499,012
TOTAL	\$27,447,970	\$6,463,012	\$1,942,024	\$900,000	\$2,720,000	\$12,402,036	\$32,998,024

Expenses	2030-31	Total
Revenues	\$50,000	\$42,486,533
Expenses	\$50,000	\$42,486,533
TOTAL	\$100,000	\$84,973,066





# Passenger Rail / Multi-Modal Station

Capital Improvement Project (FY25-FY31)

## Project Description

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■ Construct a train station building and parking to facilitate passenger rail service in Hillsborough.

## Project Justification

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The station will include a ticket office and waiting room, as well as a town board meeting room and a few permanent town offices (approximately 18% of the overall building). This facility is largely funded by the state and regional transit partners, excluding the cost of town offices, up-fitting the facility, and any expense that exceeds the allotted allocation. The town will accept long-term maintenance and ownership responsibility for the building.

Site improvements will include an access road from Orange Grove Street, two parking lots with a combined 100 parking spaces, some of which could be used as a local transit park-and-ride facility, stormwater treatment and bringing utilities to the site. Regional transit partners will be asked to modify routes to provide connected service from the Hillsborough Circulator, 420 route and other bus service to the train station. Feasibility of pedestrian connectivity to the station from downtown Hillsborough was included in the design of this project, but the construction of those improvements is considered outside the scope of this project and will be requested separately.

Station design includes several sustainability initiatives with the goal of eventually providing a net zero building, including a green roof, green stormwater infrastructure, and photo-voltaic rooftop solar arrays. The project also advances the town's sustainability goals by providing a transit connection for regular commuting and travel not currently available to town residents. The station and expected surrounding development will also provide enhanced connectivity and walkability to a new area of town and is expected to serve as a bridge to connect downtown to activity areas south of the river. The creation of a station that serves as a transit hub and public gathering place represents a significant investment in the town's physical and social infrastructure.

## Project Highlights

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The town, NCDOT and Go Triangle have approved an interlocal agreement for the project, committing the state and local tax funding to the project. The project must be completed within 7 years of the funding agreement date, or the town will be expected to reimburse the outside funding to the partners. Project costs will be run through the town's budget and reimbursed later.

FY15 - Conceptual station plan was completed  
FY23 - Station design completed  
FY24 - Design submitted to NC Railroad for approval  
FY25 & FY26 - Design  
FY26 - Construction (spring '26 is earliest possible date)

NOTE: Budget does not currently include \$600k for solar panels or EV charging infrastructure.

## Project Expenditures

10-60-6900 - Passenger Rail/Multi-Modal Station

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Construction	\$6,600,000	\$1,600,000	\$0	\$0	\$0	\$0	\$0
Design	\$891,000	\$0	\$0	\$0	\$0	\$0	\$0
Contingency	\$560,000	\$240,000	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$145,500	\$360,000	\$0	\$0	\$0	\$0	\$0
Maintenance - Buildings	\$0	\$0	\$0	\$0	\$30,000	\$30,000	\$30,000
Legal	\$42,500	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance - Grounds	\$0	\$0	\$0	\$0	\$2,500	\$2,500	\$2,500
Utilities	\$0	\$0	\$0	\$0	\$2,500	\$2,500	\$2,500
TOTAL	\$8,239,000	\$2,200,000	\$0	\$0	\$35,000	\$35,000	\$35,000

Object	2030-31	Total
Construction	\$0	\$8,200,000
Design	\$0	\$891,000
Contingency	\$0	\$800,000
Miscellaneous	\$0	\$505,500
Maintenance - Buildings	\$30,000	\$120,000
Legal	\$0	\$42,500
Maintenance - Grounds	\$2,500	\$10,000
Utilities	\$2,500	\$10,000
TOTAL	\$35,000	\$10,579,000

## Project Revenues

10-60-6900 - Passenger Rail/Multi-Modal Station

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State TIP	\$6,314,000	\$600,000	\$0	\$0	\$0	\$0	\$0
Debt Issuance Proceeds	\$560,000	\$1,550,000	\$0	\$0	\$0	\$0	\$0
NCDOT Rail (TIP)	\$870,000	\$0	\$0	\$0	\$0	\$0	\$0
Transit Tax	\$402,000	\$50,000	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$35,000	\$35,000	\$35,000
Transfer From Fund 10 - General Fund	\$73,710	\$0	\$0	\$0	\$0	\$0	\$0
Transfer From Fund 43 - Rail Station	\$19,290	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$8,239,000	\$2,200,000	\$0	\$0	\$35,000	\$35,000	\$35,000

Object	2030-31	Total
State TIP	\$0	\$6,914,000
Debt Issuance Proceeds	\$0	\$2,110,000
NCDOT Rail (TIP)	\$0	\$870,000
Transit Tax	\$0	\$452,000
Miscellaneous	\$35,000	\$140,000
Transfer From Fund 10 - General Fund	\$0	\$73,710
Transfer From Fund 43 - Rail Station	\$0	\$19,290
TOTAL	\$35,000	\$10,579,000



# N. Churton Street Fire Station

## Capital Improvement Project (FY25-FY31)

### Project Description

Build a new station north of town to replace the downtown station.

### Project Justification

The current station lacks sufficient space for staff and modern fire vehicles. The new station will serve as the Orange Rural Fire Department's (ORFD) headquarters. It will also house a joint Emergency Operations Center for ORFD and the town. The new station will be located at 604 N. Churton St, near the intersection of N. Churton Street and Corbin St.

### Project Highlights

The town began setting aside funds in FY22 to fund design. At this time, the town plans to ramp-up cash transfers to the project fund up until Fiscal Year 2030, when it will then finance this project with a debt issuance of \$6.6M. The ramp-up funds allow the town to acclimate to the first few years of anticipated debt service on the loan.

Anticipated Station Timeline:

- FY28 - Design
- FY30 - Construction

### Project Expenditures

10-20-5350 - N. Churton Street Fire Station Expenses

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Fire Station	\$450,000	\$300,000	\$375,000	\$450,000	\$525,000	\$600,000	\$7,300,000
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$450,000	\$300,000	\$375,000	\$450,000	\$525,000	\$600,000	\$7,300,000

Object	2030-31	Total
Fire Station	\$0	\$10,000,000
Utilities	\$15,000	\$15,000
TOTAL	\$15,000	\$10,015,000

### Project Revenues

10-20-5350 - N. Churton Street Fire Station

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Debt Issuance Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$6,625,000
Transfer From GF - Fire Station	\$450,000	\$300,000	\$375,000	\$450,000	\$525,000	\$600,000	\$675,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$450,000	\$300,000	\$375,000	\$450,000	\$525,000	\$600,000	\$7,300,000

<b>Object</b>	<b>2030-31</b>	<b>Total</b>
Debt Issuance Proceeds	\$0	\$6,625,000
Transfer From GF - Fire Station	\$0	\$3,375,000
Miscellaneous	\$15,000	\$15,000
<b>TOTAL</b>	<b>\$15,000</b>	<b>\$10,015,000</b>



# Ridgewalk Greenway - Phase I & II

## Capital Improvement Project (FY25-FY31)

### Project Description

---

Design and construct a greenway connecting downtown to the new train station and the Collins Ridge Greenway.

### Project Justification

---

This project was first introduced when Collins Ridge was seeking Master Plan approval and is shown in the Community Connectivity Plan. Conditions of the approval require the developers to reserve and make available to the town land to accommodate pedestrian and bicycle connectivity and to work with the town to determine the location and specific design details for pedestrian and bicycle connectivity between the parcel south of I-85 and the public rights-of-way, sidewalks, greenways, and trails in Collins Ridge. The pedestrian bridge over I-85 is critical to providing a safe pedestrian crossing of the interstate.

It is likely that the greenway project will be implemented in phases. The priority connection is between downtown and the train station. We assume the train station could be complete in FY28 and the greenway connection should be completed in close order. The second phase will connect the train station to the section of greenway being built and dedicated to the town by the developers of Collins Ridge. Ideally, this portion would be done during train station construction but may come later, dependent on when the Collins Ridge greenway is built. The third segment will connect Collins Ridge to Cates Creek Park. This phase may include a pedestrian bridge over Interstate 85. Design, engineering and permitting of this section will likely follow the first two sections and significant coordination with NCDOT and Federal Highway Administration will be necessary.

### Project Highlights

---

This project was identified by the Board of Commissioners as a transportation priority in September 2021.

A feasibility study and schematic design of the entire greenway system between downtown Hillsborough and Cates Creek Park was completed in early FY24. The engineer cost estimates were higher than anticipated, so additional feasibility work is now underway. The initial feasibility study was funded via a Surface Transportation Block Grant through the Metropolitan Planning Organization and 20% local match. It is uncertain though if this project will compete well for funding through the Transportation Improvement Plan. Additional funding options, including grants, will be pursued once the feasibility of the project is determined. If the project is found to be not feasible then the project funds for design/engineering and construction would not be needed.

Phase I: Downtown to Train Station

Phase II: Train Station to Collins Ridge Greenway

Phase III: Collins Ridge Greenway to Cates Creek Park

This project will be funded with cash transfers from the General Fund for design/engineering work and installment financing for the construction portion estimated in Fiscal Year 2029.

## Project Expenditures

10-10-6300 - Ridgewalk Greenway - Ph I & II

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Ridgewalk Greenway	\$125,003	\$333,000	\$0	\$0	\$0	\$4,500,000	\$0
Miscellaneous	\$84,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$209,003	\$333,000	\$0	\$0	\$0	\$4,500,000	\$0

Object	2030-31	Total
Ridgewalk Greenway	\$0	\$4,958,003
Miscellaneous	\$0	\$84,000
TOTAL	\$0	\$5,042,003

## Project Revenues

10-10-6300 - Ridgewalk Greenway - Ph I & II

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Installment Financing - Ridgewalk Greenway	\$0	\$0	\$0	\$0	\$0	\$4,500,000	\$0
Transfer From GF - Ridgewalk Greenway	\$125,003	\$333,000	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$84,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$209,003	\$333,000	\$0	\$0	\$0	\$4,500,000	\$0

Object	2030-31	Total
Installment Financing - Ridgewalk Greenway	\$0	\$4,500,000
Transfer From GF - Ridgewalk Greenway	\$0	\$458,003
Miscellaneous	\$0	\$84,000
TOTAL	\$0	\$5,042,003



# Ridgewalk Greenway - Phase III

## Capital Improvement Project (FY25-FY31)

### Project Description

---

■ Design and construct a greenway connecting the Collins Ridge Greenway to Cates Creek Park.

### Project Justification

---

This project was identified by the Board of Commissioners as a transportation priority in September 2021. It was first introduced when Collins Ridge was seeking Master Plan approval and is shown in the Community Connectivity Plan. Conditions of the approval require the developers to reserve and make available to the town land to accommodate pedestrian and bicycle connectivity and to work with the town to determine the location and specific design details for pedestrian and bicycle connectivity between the parcel south of I-85 and the public rights-of-way, sidewalks, greenways, and trails in Collins Ridge. The pedestrian bridge over I-85 is critical to providing a safe pedestrian crossing of the interstate.

It is likely that the greenway project will be implemented in phases. The priority connection is between downtown and the train station. We assume the train station could be complete in FY28 and the greenway connection should be completed in close order. The second phase will connect the train station to the section of greenway being built and dedicated to the town by the developers of Collins Ridge. Ideally, this portion would be done during train station construction but may come later, dependent on when the Collins Ridge greenway is built. The third segment will connect Collins Ridge to Cates Creek Park. This phase may include a pedestrian bridge over Interstate 85. Design, engineering and permitting of this section will likely follow the first two sections and significant coordination with NCDOT and Federal Highway Administration will be necessary.

### Project Highlights

---

A feasibility study and schematic design of the entire greenway system between downtown Hillsborough and Cates Creek Park was completed in early FY24. The engineer cost estimates were higher than anticipated, so additional feasibility work is now underway. The initial feasibility study was funded via a Surface Transportation Block Grant through the Metropolitan Planning Organization and 20% Local match. It is uncertain though if this project will compete well for funding through the Transportation Improvement Plan. Additional funding options, including grants, will be pursued once the feasibility of the project is determined. If the project is found to be not feasible then the project funds for design/engineering and construction would not be needed.

Phase I: Downtown to Train Station

Phase II: Train Station to Collins Ridge Greenway

Phase III: Collins Ridge Greenway to Cates Creek Park

This project will be funded with cash transfers from the General Fund for design/engineering work and installment financing for the construction portion estimated in Fiscal Year 2030.

## Project Expenditures

10-10-6300 - Ridgewalk Greenway - Ph III Expenses

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Ridgewalk Greenway	\$0	\$0	\$0	\$0	\$800,000	\$0	\$8,000,000
TOTAL	\$0	\$0	\$0	\$0	\$800,000	\$0	\$8,000,000

Object	2030-31	Total
Ridgewalk Greenway	\$0	\$8,800,000
TOTAL	\$0	\$8,800,000

## Project Revenues

10-10-6300 - Ridgewalk Greenway - Ph III

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Installment Financing - Ridgewalk Greenway	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000,000
Transfer From GF - Ridgewalk Greenway	\$0	\$0	\$0	\$0	\$800,000	\$0	\$0
TOTAL	\$0	\$0	\$0	\$0	\$800,000	\$0	\$8,000,000

Object	2030-31	Total
Installment Financing - Ridgewalk Greenway	\$0	\$8,000,000
Transfer From GF - Ridgewalk Greenway	\$0	\$800,000
TOTAL	\$0	\$8,800,000





# NC86 Facility Renovation

Capital Improvement Project (FY25-FY31)

## Project Description

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Renovate the current NC Hwy 86 N facility to integrate office and storage space for Public Works, with property improvements to allow for material and vehicle storage.

## Project Justification

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The current Public Works building is located next to the Eno River flood plain and is prone to flooding. Due to a lack of space, in FY18 the Public Works Director and Public Works Supervisor moved from the existing "shed" into a rented construction trailer. Expansion of the NC Hwy 86 N facility will provide the needed space for all Public Works staff, materials, and equipment. Fleet and Safety Divisions will remain on site at the NC Hwy 86 N facility.

Energy efficiency measures and upgrades will also be made to the building to help meet the Clean Energy Pledge and building code requirements. Site improvements will be made to expand storage areas for vehicles and equipment, as well as improve stormwater devices on site. The renovation of the building and construction of new vehicle and equipment storage areas should meet the needs of these divisions for the next 10-20 years.

## Project Highlights

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The town is currently contracting with MHAworks to develop construction documents and a bid package. Updated costs estimates will be provided once construction documents are complete. Construction is expected to begin summer 2025. The town plans to cash-finance this project with a transfer from the General Fund.

## Project Expenditures

10-30-5600 - NC 86 Facility Renovation

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
NC86 - Construction	\$4,500,000	\$0	\$0	\$0	\$0	\$0	\$0
NC86 - Design	\$325,982	\$0	\$0	\$0	\$0	\$0	\$0
Data Processing Services	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0
Rental - Building	\$0	\$7,000	\$7,000	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$4,825,982</b>	<b>\$22,000</b>	<b>\$7,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Object	2030-31	Total
NC86 - Construction	\$0	\$4,500,000
NC86 - Design	\$0	\$325,982
Data Processing Services	\$0	\$15,000
Rental - Building	\$0	\$14,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$4,854,982</b>

## Project Revenues

10-30-5600 - NC 86 Facility Renovation

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From GF - NC86 Renovation	\$3,607,450	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$1,090,332	\$22,000	\$7,000	\$0	\$0	\$0	\$0
Transfer From Fund 48 - NC86 Renovation	\$128,200	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$4,825,982</b>	<b>\$22,000</b>	<b>\$7,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Object	2030-31	Total
Transfer From GF - NC86 Renovation	\$0	\$3,607,450
Miscellaneous	\$0	\$1,119,332
Transfer From Fund 48 - NC86 Renovation	\$0	\$128,200
<b>TOTAL</b>	<b>\$0</b>	<b>\$4,854,982</b>



# Engine Truck

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace the 2015 engine truck used by Orange Rural Fire Department (ORFD).

### Project Justification

The truck is expected to run for 15 years as a front-line vehicle, followed by an additional 5 years as a backup.

### Project Highlights

Lead times on trucks can often be extensive and may necessitate ordering earlier than anticipated. The town will monitor lead times as truck nears replacement.

The town plans to issue debt in the amount of \$800,000 in Fiscal Year 2030 to finance this vehicle.

### Project Expenditures

10-20-5350 - Engine Truck Expenses

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$2,006
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$802,006

Object	2030-31	Total
Capital - Vehicles	\$0	\$800,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$802,006

### Project Revenues

10-20-5350 - Engine Truck

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Debt Issuance Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$2,006
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$802,006

Object	2030-31	Total
Debt Issuance Proceeds	\$0	\$800,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$802,006



# Leaf Truck Replacement - #833

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace leaf truck #833, a 2022 Freightliner.

### Project Justification

Solid Waste vehicles are replaced on a 7-year replacement cycle to ensure reliability, and reduce downtime and maintenance costs. Replaced trucks move into reserve status for several years before being retired.

### Project Highlights

Order in FY29 for delivery in FY30. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

### Project Expenditures

10-30-5800 - Leaf Truck Replacement - #833

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$0	\$0	\$0	\$375,000	\$0
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$0	\$0	\$0	\$2,006	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$377,006	\$0

Object	2030-31	Total
Capital - Vehicles	\$0	\$375,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$377,006

### Project Revenues

10-30-5800 - Leaf Truck Replacement - #833

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$0	\$0	\$0	\$0	\$375,000	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$2,006	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$377,006	\$0

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$375,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$377,006



# Leaf Truck Replacement - #222

Capital Improvement Project (FY25-FY31)

## Project Description

Replace 2014 leaf truck with an additional automated XtremeVac hook lift leaf collector.

## Project Justification

Solid Waste vehicles are replaced on a 7-year replacement cycle to ensure reliability, and reduce downtime and maintenance costs. Replaced trucks move into reserve status for several years before being retired.

The volume of leaves and amount of curb needing to be cleared has increased as new developments have come online. The town has had 2 leaf trucks (frontline and backup) for several years but has only had to run both around the holidays and sometimes at the end of the week to ensure all routes are completed weekly. This year both trucks collected leaves 3-4 days a week and staff only stayed on schedule by working extra hours and during holiday breaks. This reduces the amount of time available for normal maintenance items, and due to the number of moving parts and running 8+ hours per day, trucks do go down for repairs, which are never quick. It can be difficult for staff to catch up after a breakdown.

To increase functionality and reduce idle time, the division is pursuing a hook lift style truck rather than a traditional leaf truck that is only used 3 months of the year during leaf season. This truck is designed to have a chassis with interchangeable bodies (i.e. leaf, dump, salt spreader, etc.). Public Works is only pursuing a leaf body at this time, but additional bodies could be purchased in the future. Fleet Maintenance is also in favor of this truck, as it will reduce repairs due to sitting idle for 9 months out of the year.

## Project Highlights

If this replacement is funded, staff will continue to research whether the hook lift or a traditional leaf truck would best meet the town's needs. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

## Project Expenditures

10-30-5800 - Leaf Truck Replacement - #222

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$374,500	\$0	\$0	\$0	\$0	\$0
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$376,506	\$0	\$0	\$0	\$0	\$0

Object	2030-31	Total
Capital - Vehicles	\$0	\$374,500
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$376,506

# Project Revenues

10-30-5800 - Leaf Truck Replacement - #222

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$374,500	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$2,006	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$376,506	\$0	\$0	\$0	\$0	\$0

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$374,500
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$376,506





# Garbage Truck Replacement - #229

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace garbage truck #229, a 2015 Mack Automated garbage truck.

### Project Justification

The truck is already 9 years old with 56k+ miles, and is now being used as a backup with the delivery of the new additional automated truck in summer 2023. Replacement is planned for FY26 (the truck will be nearly 10 years old at that time) to reduce the cost of repairs and have a reliable truck to collect garbage. The expected life of a garbage truck in Hillsborough is 7-8 years.

### Project Highlights

Order truck in FY26 for delivery in FY27. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

### Project Expenditures

10-30-5800 - Garbage Truck Replacement - #229

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$360,000	\$0	\$0	\$0	\$0
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$2,006	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$362,006	\$0	\$0	\$0	\$0

Object	2030-31	Total
Capital - Vehicles	\$0	\$360,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$362,006

### Project Revenues

10-30-5800 - Garbage Truck Replacement - #229

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$0	\$360,000	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$2,006	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$362,006	\$0	\$0	\$0	\$0

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$360,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$362,006



# Garbage Truck Replacement - 2023 Model

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace 2023 garbage truck added to fleet in FY23.

### Project Justification

Solid Waste vehicles are replaced on a 7-year replacement cycle to ensure reliability, and reduce downtime and maintenance costs. Replaced trucks move into reserve status for several years before being retired.

### Project Highlights

Order in FY30 for delivery in FY31. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

### Project Expenditures

10-30-5600 - Garbage Truck Replacement - 2023 Model

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$360,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$2,006
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$362,006

Object	2030-31	Total
Capital - Vehicles	\$0	\$360,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$362,006

### Project Revenues

10-30-5600 - Garbage Truck Replacement - 2023 Model

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$0	\$0	\$0	\$0	\$0	\$360,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$2,006
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$362,006

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$360,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$362,006





# Garbage Truck Replacement - #8202

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace garbage truck #8202, a 2022 Peterbilt.

### Project Justification

Solid Waste vehicles are replaced on a 7-year replacement cycle to ensure reliability and reduce downtime and maintenance costs. Replaced trucks move into reserve status for several years before being retired.

### Project Highlights

Order in FY29 for delivery in FY30. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

### Project Expenditures

10-30-5800 - Garbage Truck Replacement - #8202

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$0	\$0	\$0	\$360,000	\$0
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$0	\$0	\$0	\$2,006	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$362,006	\$0

Object	2030-31	Total
Capital - Vehicles	\$0	\$360,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$362,006

### Project Revenues

10-30-5800 - Garbage Truck Replacement - #8202

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$0	\$0	\$0	\$0	\$360,000	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$2,006	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$362,006	\$0

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$360,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$362,006



# Knuckleboom Truck Replacement - #279

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace Knuckleboom #279, a 2022 Freightliner.

### Project Justification

Solid Waste vehicles are replaced on a 7-year replacement cycle to ensure reliability, reducing downtime and maintenance costs. Replaced trucks move into reserve status for several years before being retired.

### Project Highlights

Order in FY29 for delivery in FY30. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

### Project Expenditures

10-30-5800 - Knuckleboom Truck Replacement - #279

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$0	\$0	\$0	\$225,000	\$0
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$0	\$0	\$0	\$2,006	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$227,006	\$0

Object	2030-31	Total
Capital - Vehicles	\$0	\$225,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$227,006

### Project Revenues

10-30-5800 - Knuckleboom Truck Replacement - #279

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$0	\$0	\$0	\$0	\$225,000	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$2,006	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$227,006	\$0

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$225,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$227,006



# Knuckleboom Truck Replacement - #253

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace 8-year-old Pac Mac knuckle boom (brush truck).

### Project Justification

The town strives to replace garbage trucks every 7 years to ensure reliability and reduce repair costs. The 2018 Freightliner brush truck will be due for replacement in FY26.

### Project Highlights

Purchase in FY26 for delivery in FY27. The purchase of this truck will be paid for with set-aside funding committed for solid waste vehicles.

### Project Expenditures

10-30-5800 - Knuckleboom Truck Replacement - #253

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Vehicles	\$0	\$0	\$225,000	\$0	\$0	\$0	\$0
Miscellaneous - Tax, Tags, Etc.	\$0	\$0	\$2,006	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$227,006	\$0	\$0	\$0	\$0

Object	2030-31	Total
Capital - Vehicles	\$0	\$225,000
Miscellaneous - Tax, Tags, Etc.	\$0	\$2,006
TOTAL	\$0	\$227,006

### Project Revenues

10-30-5800 - Knuckleboom Truck Replacement - #253

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 78 - Committed Funds - GF	\$0	\$0	\$225,000	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$2,006	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$227,006	\$0	\$0	\$0	\$0

Object	2030-31	Total
Transfer from Fund 78 - Committed Funds - GF	\$0	\$225,000
Miscellaneous	\$0	\$2,006
TOTAL	\$0	\$227,006



# S. Churton Street Improvements Cost Share

## Capital Improvement Project (FY25-FY31)

### Project Description

■ Pedestrian improvements in the S. Churton Street corridor, from the Eno River to the Interstate 40 interchange.

### Project Justification

This project is funded in the NCDOT Transportation Improvement Plan and is listed as a widening, but will also allow for the construction of bicycle and pedestrian improvements in the entire corridor.

Current NCDOT policy would require the town to financially participate in the provision of pedestrian improvements where they do not already exist in the corridor. In FY19, the town's participation was estimated at \$68,000 (20% of actual sidewalk construction cost). Given the passage of time and escalation of prices, staff is estimating the town's participation at \$100,000. Changes in design and NCDOT policy may impact whether and how much the town must participate in this project. The FY29 funds are placeholder funds.

It is possible the town will not have to participate in this project if NCDOT amends their policies to robustly implement their Complete Streets policy. At this time, the town should plan on participating. Missing this opportunity to install pedestrian improvements in this corridor would commit the town to fully funding any future sidewalk improvements in the corridor. Such a project would be in the millions of dollars rather than the modest amount estimated by participating at the time of widening.

### Project Highlights

- FY23 & FY24 - The town is funding a feasibility study with Surface Transportation Block Grant funds passed through from the Metropolitan Planning Organization. The town approved a \$50,000 contribution of local funds in FY23 to pair with \$150,000 of block grant funding to complete the feasibility study. This effort will include detailed outreach to ensure the final design is fully acceptable to the community as a whole and matches the town's long-term interests.
- FY26 - NCDOT is anticipated to start right-of-way acquisition.
- FY29 - NCDOT is anticipated to start construction, but this is subject to adjustment as the schedules of other state projects becomes clearer. The town's funding portion is planned as a cash transfer from the General Fund in Fiscal Year 2029.

### Project Expenditures

10-30-5600 - S. Churton St. Improvements Cost Share

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0

Object	2030-31	Total
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Object	2030-31	Total
Miscellaneous	\$0	\$100,000
TOTAL	\$0	\$100,000

## Project Revenues

10-30-5600 - S. Churton St. Improvements Cost Share

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From Fund 10 - General Fund	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0

Object	2030-31	Total
Transfer From Fund 10 - General Fund	\$0	\$100,000
TOTAL	\$0	\$100,000

## Discussion Topics



# Governing Body: Dues & Training

FY2025 Operating & Capital Budget

## Dues & Subscriptions

10-10-4100 - Governing Body Dues & Subscriptions

Itemization Description	2023-24	2024-25	2025-26	2026-27	Total
NCLM Annual Dues	\$10,470	\$10,500	\$10,500	\$10,500	\$41,970
Hillsborough Chamber of Commerce	\$6,000	\$6,000	\$6,000	\$6,000	\$24,000
Central Pines Regional Council	\$3,776	\$3,776	\$3,776	\$3,776	\$15,104
School of Government Annual Dues	\$1,414	\$1,450	\$1,450	\$1,450	\$5,764
Chapel Hill Chamber of Commerce	\$1,395	\$1,400	\$1,400	\$1,400	\$5,595
National League of Cities	\$1,277	\$1,277	\$1,277	\$1,277	\$5,108
Miscellaneous	\$500	\$500	\$500	\$500	\$2,000
NC Mayors Association	\$300	\$300	\$300	\$300	\$1,200
NC Women in Municipal Government	\$75	\$75	\$75	\$75	\$300
NC Black Elected Municipal Officials	\$75	\$75	\$75	\$75	\$300
Southern City Subscription	\$22	\$22	\$22	\$22	\$88
<b>TOTAL</b>	<b>\$25,304</b>	<b>\$25,375</b>	<b>\$25,375</b>	<b>\$25,375</b>	<b>\$101,429</b>

## Training, Conferences, & Conventions

10-10-4100 - Governing Body Training/Conferences/Conventions

Itemization Description	2023-24	2024-25	2025-26	2026-27	Total
Inter City Visits	\$0	\$14,700	\$0	\$14,700	\$29,400
Miscellaneous Training	\$945	\$5,000	\$5,000	\$5,000	\$15,945
NCLM City Vision	\$3,600	\$3,600	\$3,600	\$3,600	\$14,400
International LGBTQ Leaders Conference	\$1,307	\$1,800	\$1,800	\$1,800	\$6,707
Women in Municipal Government Conference Charlotte, NC	\$1,092	\$1,100	\$1,100	\$1,100	\$4,392
UNC SOG Advanced Leadership Corps.	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
NC 365 Conference	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Newly Elected Officials School (FY22/24/26)	\$1,500	\$0	\$1,500	\$0	\$3,000
Travel Reimbursement for Meetings Outside County	\$600	\$600	\$600	\$600	\$2,400
NC Mayors Association Member Meeting	\$344	\$400	\$400	\$400	\$1,544
NCLM Town and State Dinner	\$300	\$300	\$300	\$300	\$1,200
Central Pines Regional Summit	\$300	\$300	\$300	\$300	\$1,200
State of the Community Report	\$0	\$280	\$280	\$280	\$840
NCLM Town Hall Day (1)	\$30	\$30	\$30	\$30	\$120
<b>TOTAL</b>	<b>\$12,018</b>	<b>\$30,110</b>	<b>\$16,910</b>	<b>\$30,110</b>	<b>\$89,148</b>



# Community Re-Investment Funds

FY2025 Operating & Capital Budget

## Issue Summary

Each fiscal year, the town designates funds for community re-investment. The FY25 Manager's Recommended Budget currently has \$25,189 designated for this purpose. This is the same funding level as the current, FY24 budget. The Exchange Club, Hillsborough Arts Council and Orange Congregations in Missions have submitted funding requests for FY25. Representatives from all three organizations are planning to attend the workshop. At this time, none are planning to formally present their request for funds to the board, but will be available for questions.

## Key Decision Points

- Does the board want to support these agencies via Community Re-Investment Funds? If so, at what funding level?

## Community Re-Investment Funding Requests

Agency	FY24 Funded Amount	FY25 Requested Amount
Exchange Club	\$7,189	\$7,599
Hillsborough Arts Council	\$18,000	\$21,000
Orange Congregations in Missions	\$0	\$10,000
<b>Total</b>	<b>\$25,189</b>	<b>\$38,599</b>





# APPLICATION

## FY25 Community Reinvestment Funds

Administrative Services Department  
 101 E. Orange St., PO Box 429, Hillsborough, NC 27278  
 919-732-1270  
[www.hillsboroughnc.gov](http://www.hillsboroughnc.gov)

ORGANIZATION INFORMATION	
Organization Name:	The Exchange Club of Hillsborough
Address:	331 Exchange Park Lane, Hillsborough, NC 27278
Website:	<a href="http://hillsborough1857.exchange-nc.org">hillsborough1857.exchange-nc.org</a>
Point of Contact Name:	Blair Bradford
Point of Contact Phone:	919-451-3373
Point of Contact Email:	<a href="mailto:bubradford@icloud.com">bubradford@icloud.com</a>
Board of Directors: Please List	Blair Bradford, President, pro tem Marvin Clark, Treasurer Judy Butler, Secretary Sean McGuire, President elect Susan Anderson, Board      Patti Parker, Board David Lewis, Board.      Owen Maddux, Board Joyce Gainey, Board

FINANCIAL INFORMATION	
Current Fiscal Year Budget:	\$53,896 expenses/ \$52,288 income
Next Fiscal Year Anticipated Budget:	\$55,000 expenses/ \$52,000 income
Current Year Allocation from Town of Hillsborough:	\$7189 (included in income)
Next Fiscal Year Requested Allocation from Town of Hillsborough:	\$7599. Attached is annual report and justification

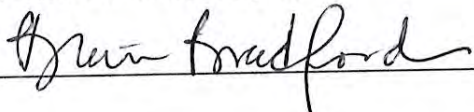
FUNDING IMPACT SECTION 1			
How will the town's funding be used to assist the organization?	Category	\$	Notes
	Current Personnel		
	Current Operations		
	Current Programming		
	Personnel Expansion		
	Operations Expansion	\$7599.00	park upkeep
	Programming Expansion		
	Other		
	<b>Grand Total</b>	\$7599	

FUNDING IMPACT SECTION 2			
Please list goals, programs and initiatives for which these funds will be used:		Item	\$
Items should be specific, measurable and verifiable by the Town of Hillsborough and are subject to the completion of a signed memorandum of understanding before disbursement of funds.	1.	Portable toilet for winter	845
	2.	Park lighting	139
	3.	Park liability insurance	1395
	4.	Playground mulch	1800
	5.	Grading and gravel of driveway and parking lot	2000
	6.	Efland Trash	420
	7.	tree work	1000
	Grand Total		7599

**SIGNATURE**

*I hereby agree to conform to all applicable laws and regulations of the Town of Hillsborough, County of Orange, and State of North Carolina (as may be applicable to my request) and certify that the above information is true and accurate to the best of my knowledge.*

**Note:** Funding distributions will be made at the convenience of town staff's ability to execute purchase orders, make check requests, gather memoranda of understanding signatures, etc. Funding distributions should be expected no earlier than late August.

Signature:  Date: 4/17/24



## Report on FY 2024 Award and Request for FY2025 Funding

### The Exchange Club of Hillsborough

Our focus has been to update the oldest community park in town. Support from the town has helped tremendously with these efforts. We appreciate the opportunity to make this request for funding in FY 2025.

#### Request for funding FY2024

Dumpster	\$1101
Port o john for winter months (5)	\$849
Park lighting for security lights	\$139
Park Liability Insurance	\$1500
Mulch for playground areas	\$1600
2-heavy weight trash cans	\$1200
3 Bucket style swings and a saucer swing	\$800
<b>Total funding requested</b>	<b>\$7189</b>

**Justification:** As in years past, we request 50% of the cost of the dumpster, the cost of park lighting and park liability insurance. We will still need funds designated for the portable toilets during the winter months – Dec 1-May 1. We need 2 additional heavy weight trash containers for the open area of the park. These will help keep debris out of the stream. Mulch is due to be replaced in the playground areas. Additional swings for babies and toddlers and a saucer swing would enhance the park for youngest patrons.

#### Expenditures for FY 2024

Portable handicap accessible toilet for winter	
December - April	\$676
Dumpster \$218/ month for 3 months @ 50%	\$327
Park lighting	\$139
Park Liability Insurance	\$1395
Bathroom repair of park bathroom plumbing	\$2268
2 Bucket style swings, 2 adult swings	
and a saucer swing	\$300
Mulch and borders for playground areas	\$5385
Efland trash pick up \$35/month Sept-June 30	\$350
Park Trash Can	\$187
Tree work	\$1500
<b>Total</b>	<b>\$12,527</b>

#### Justification:

It was our intention to improve the park for smaller children this year. After consulting with All Seasons Landscapes, we were advised that some of our swing areas were too small for safety reasons. We also needed to create a new area for the saucer swing which has been a big hit. New infant swings and adult swings were installed on two swing sets. New timbers and mulch were applied to all play areas. This project was more involved than we expected but long overdue.

We decided not to continue with the dumpster because there was an increasing problem with the public dumping construction waste into the dumpster. We contracted trash pick-up with Efland Trash in September for park use only. The town of Hillsborough is now picking up our clubhouse trash and all recycling.

We focused last year on getting the bathroom building renovated as urged by the board of commissioners in FY 2023. In 2024, the bathroom plumbing became clogged several times and it was

finally discovered that we had two breaks in the sewer line which was the source of the problem and an unexpected expense.

A large ash tree dropped a large portion of the top of the tree onto the swing set area. The tree had to be removed because the arborist stated it was a hazard with over half of it dead.

A portable handicap toilet was rented during the cold months as we must winterize the bathrooms.

**Funding requested for FY 2025**

Portable handicap accessible toilet for winter	
December - April	\$845
Park lighting	\$139
Park Liability Insurance	\$1395
Grading and replace gravel in park driveway and parking lot	\$2000
Mulch playgrounds	\$1800
Efland trash \$35/month	\$420
Tree work	\$1000
<b>Total</b>	<b>\$7599</b>

**Justification:**

The request for funding of portable toilet, park lighting, trash service and liability insurance are unchanged. Grading and replacing gravel in the park driveway and parking lot areas are needed and have not been refreshed since FY2021. Tree work may be needed but if not, we will use those funds for the purchase of a climbing structure for children ages 3-8.



# APPLICATION

## FY25 Community Reinvestment Funds

Administrative Services Department  
 101 E. Orange St., PO Box 429, Hillsborough, NC 27278  
 919-732-1270  
[www.hillsboroughnc.gov](http://www.hillsboroughnc.gov)

ORGANIZATION INFORMATION	
Organization Name:	Hillsborough Arts Council
Address:	102 N Churton St, Hillsborough, NC 27278-2534
Website:	222.hillsboroughartscouncil.org
Point of Contact Name:	Heather Tatreau, Executive Director
Point of Contact Phone:	919-643-2500
Point of Contact Email:	director@hillsboroughartscouncil.org
Board of Directors: <i>Please List</i>	Joshua Collins (Chair), John Claude Bemis (Secretary), David Hays (Treasurer), Laila Issa (Duke Student Board Member), Tyrelle Barnes, Jeff Berst, Kate Brilakis, Kathy Hupp, Chelsea Maier, Jeanetta Powell, Sara Holihan Smith, Arisa Sullivan (DEIA Initiative Lead), Cathleen Turner, Julia Workman (Volunteer Programs Initiative Lead), Kera Yonker (Fundraising Initiative Lead)

FINANCIAL INFORMATION	
Current Fiscal Year Budget:	\$395,000
Next Fiscal Year Anticipated Budget:	\$401,000
Current Year Allocation from Town of Hillsborough:	\$18,000
Next Fiscal Year Requested Allocation from Town of Hillsborough:	\$21,000

**FUNDING IMPACT SECTION 1**

How will the town's funding be used to assist the organization?	Category	\$	Notes
	Current Personnel	7,500	Allocated across all programs
	Current Operations	7,500	Allocated across all programs
	Current Programming	3,000	Allocated across all programs
	Personnel Expansion		
	Operations Expansion	3,000	Lighting for Last Fridays & the Art Walk and Solstice Lantern Walk
	Programming Expansion		
	Other		
	<b>Grand Total</b>	<b>\$21,000</b>	

Last revised: February 2024  
Community Reinvestment Funds Application | 2 of 2

**FUNDING IMPACT SECTION 2**

Please list goals, programs and initiatives for which these funds will be used:		Item	\$
Items should be specific, measurable and verifiable by the Town of Hillsborough and are subject to the completion of a signed memorandum of understanding before disbursement of funds.	1.	Payroll, overhead, and administrative costs to run Last Fridays & the Art Walk. Offering 9 months of active programming (March-November) and year-round coordination/planning efforts.	\$5,300
	2.	Payroll, overhead, and administrative costs to run	\$3,200

		Solstice Lantern Walk & Solstice Market. Activities occur November-December, with planning efforts taking 6 months worth of time and resources.	
	3.	Payroll, overhead, and administrative costs to run Handmade Parade & Handmade Market. Activities occur every other spring, with planning efforts taking 6 months worth of time and resources.	\$1,000
	4.	Payroll, overhead, and administrative costs to run HAC's downtown office and point-of-entry for visitors, artists, and residents to learn about Hillsborough's cultural community. The Gallery & Gift Shop provides services to the public 6 days per week and provides a year-round venue for arts engagement, public information, and sales of local artwork.	\$5,500
	5.	<p>Evaluate the former structure of the Hillsborough Poet Laureate program, including conversations with community members, literary artists, key collaborators, and other stakeholders to ensure a thoughtful relaunch. Conduct search for the next laureate, provide stipend for a multi-year commitment, facilitate town-wide engagements and events, and further spoken word programs.</p> <p>Please note that we asked for \$4,000 to relaunch this program last year and only</p>	\$2,000

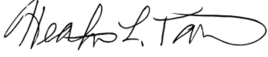
		received \$2,000. We did not have the bandwidth or full funding in FY24 to fulfill this commitment, so we have held the \$2,000 over for the relaunch in FY25. We need a total of \$4,000 to properly relaunch the Poet Laureate program and are committed to fulfilling this in FY25. Plans are already in place to proceed and community partners are on board.	
	6.	Payroll, overhead, and administrative costs to run all other programs and services outside of HAC's flagship events; including public art projects, ArtCycle, arts education initiatives, workshops, and other collaborative community events.	\$1,000
	7.	Get Lit is a local event lighting company that we have partnered with to provide lighting at our evening events. During the darkest months of the year, the absence of street lights downtown is a safety hazard when large crowds gather. Get Lit has agreed to offer a significant discount for its lighting services during the Solstice Lantern Walk in December and LFAWs in September and October. This is a \$7,500 value that we will receive for \$3,000.	\$3,000
	<b>Grand Total</b>		<b>\$21,000</b>



**SIGNATURE**

*I hereby agree to conform to all applicable laws and regulations of the Town of Hillsborough, County of Orange, and State of North Carolina (as may be applicable to my request) and certify that the above information is true and accurate to the best of my knowledge.*

**Note: Funding distributions will be made at the convenience of town staff's ability to execute purchase orders, make check requests, gather memoranda of understanding signatures, etc. Funding distributions should be expected no earlier than late August.**

Signature: \_\_\_\_\_  \_\_\_\_\_ Date: 4/19/2024 \_\_\_\_\_



# APPLICATION

## FY25 Community Reinvestment Funds

Administrative Services Department  
 101 E. Orange St., PO Box 429, Hillsborough, NC 27278  
 919-732-1270  
[www.hillsboroughnc.gov](http://www.hillsboroughnc.gov)

### ORGANIZATION INFORMATION

Organization Name:	Orange Congregations in Mission
Address:	300 Millstone Dr. Hillsborough, NC 27278
Website:	<a href="http://www.ocimnc.org">www.ocimnc.org</a>
Point of Contact Name:	Kay Stagner
Point of Contact Phone:	919-732-6194 ex) 12
Point of Contact Email:	<a href="mailto:ocimsrm@gmail.com">ocimsrm@gmail.com</a>
Board of Directors: <i>Please List</i>	Lacey Tinnin Rev. Richard Greenway David Snyder Marie McAdoo Margaret Hauth

### FINANCIAL INFORMATION

Current Fiscal Year Budget:	\$562,765
Next Fiscal Year Anticipated Budget:	\$562,765
Current Year Allocation from Town of Hillsborough:	<b>WAP \$1,652.15</b>
Next Fiscal Year Requested Allocation from Town of Hillsborough:	<b>WAP plus \$10,000</b>

### FUNDING IMPACT SECTION 1

How will the town's funding be used to assist the organization?	Category	\$	Notes
	Current Personnel		
	Current Operations		
	Current Programming	10,000	Water Assistance
	Personnel Expansion		
	Operations Expansion		
	Programming Expansion		
	Other		
	<b>Grand Total</b>	10,000	

<b>FUNDING IMPACT SECTION 2</b>			
Please list goals, programs and initiatives for which these funds will be used:		Item	\$
Items should be specific, measurable and verifiable by the Town of Hillsborough and are subject to the completion of a signed memorandum of understanding before disbursement of funds.	1.	See Attachment	10,000
	2.		
	3.		
	4.		
	5.		
	6.		
	7.		
			Grand Total

**SIGNATURE**

*I hereby agree to conform to all applicable laws and regulations of the Town of Hillsborough, County of Orange, and State of North Carolina (as may be applicable to my request) and certify that the above information is true and accurate to the best of my knowledge.*

**Note: Funding distributions will be made at the convenience of town staff's ability to execute purchase orders, make check requests, gather memoranda of understanding signatures, etc. Funding distributions should be expected no earlier than late August.**

Signature: Kay Skypur Date: 3/18/2024

## **Funding impact**

**Please list goals, programs and initiatives for which these funds will be used.**

Funding request \$10,000

Orange Congregations in Mission (OCIM) will assist 62 households with past due billing to keep their Town of Hillsborough water service on.

The current average assistance per household is \$161.48.

In 2023 OCIM assisted 257 households with Town of Hillsborough water bills. The total amount of assistance was \$43,367.95.

150 households in-town limits \$23,333.41

107 households out-of-town limits \$20,034.54

### **Water Assistance Program (WAP) \$200 maximum per household**

2022- \$5,308- 46 households were assisted

2023- \$724- 7 households were assisted

2024- *to date* \$1,652.15- 11 households were assisted



# Affordable Housing

## FY2025 Operating & Capital Budget

### Issue Summary

Affordable housing is a top concern and challenge in many communities throughout the country. Just six years ago Hillsborough's budget included less than \$10,000 in this area. To advance progress on affordable housing, the town board adopted guiding principles in April 2022 to incrementally increase funding over several years to allocate the equivalent of two cents on the property tax rate to this need. This paralleled a request made by the Orange County Affordable Housing Coalition (OCAHC) to help prioritize affordable housing in an on-going and meaningful way.

Funding in FY24 was \$100,000 and is increasing to \$175,000 in FY25. A request has been received from the Orange County Partnership to End Homelessness (OCPEH) to expand support in FY25 by \$12,058 per year. OCAHC requested support of renovation and preservation efforts for low-income homeowners.

At the FY25 Budget Retreat, the town board discussed retaining capacity for affordable housing creation and preservation while holding a series of focused workshops, and working on a comprehensive affordable housing strategy during FY25.

### Key Decision Points

- Orange County Partnership to End Homelessness: fund request for additional \$12,058 per year? Any allocation would reduce contribution to the Affordable Housing Creation & Preservation fund by an equal amount.
- Orange County Affordable Housing Coalition: allocate any of the Affordable Housing Creation and Preservation funds toward this request?

### Continuation Budget

<b>FY25 Budget</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Community Home Trust	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
HOME Funds Match	\$6,486	\$6,281	\$6,281	\$6,281	\$6,281
O.C. Partnership to End Homelessness	\$59,080	\$61,128	\$39,852	\$39,852	\$39,852
O.C. Partnership to End Homelessness (expansion)	\$0	\$0	\$0	\$0	\$0
Affordable Housing Creation & Preservation	\$0	\$32,884	\$126,367	\$201,367	\$271,367
<b>Total Continuation</b>	<b>\$68,066</b>	<b>\$102,793</b>	<b>\$175,000</b>	<b>\$250,000</b>	<b>\$320,000</b>

### Unfunded Requests

<b>Expansion Requests (not funded)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
O.C. Partnership to End Homelessness (expansion)			\$12,058	\$12,058	\$12,058
O.C. Affordable Housing Coalition - Preservation/Renovation Support			TBD	TBD	TBD
<b>Total Expansion Requests</b>			<b>\$12,058</b>	<b>\$12,058</b>	<b>\$12,058</b>

**Affordable** Housing Creation & Preservation Reserve Fund

<b>Affordable Housing Creation &amp; Preservation Reserve Fund</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Anticipated Contributions to Reserve Fund	\$0	\$32,884	\$126,367	\$201,367	\$271,367
Anticipated Allocation of Reserve Funds	\$0	\$0	\$0	\$0	\$0
<b>Cumulative Balance</b>	<b>\$0</b>	<b>\$32,884</b>	<b>\$159,251</b>	<b>\$360,618</b>	<b>\$631,985</b>



**Introduction:** Orange County Partnership to End Homelessness (OCPEH) is jointly funded by the Towns of Carrboro, Chapel Hill, Hillsborough, and Orange County for the purpose of implementing the Plan to End Homelessness. Additionally, OCPEH receives pass-through grant funding to support homeless programming - Coordinated Entry, Rapid Re-housing, and Continuum of Care (CoC) planning.

## **Timeline**

### **December 20, 2023**

The OCPEH Executive Team met to develop a FY24-25 funding recommendation to be provided to the four elected boards for the FY24-25 budget deliberations. The Executive Team agreed that it would be beneficial to review the Continuation and Expansion budgets with the Towns' and County Managers present such that the Executive Team could make a recommendation informed by the partners' financial landscape for FY24-25.

### **January 18, 2024**

The OCPEH Executive Team (with 2023 outgoing and 2024 returning and incoming members) met with Town and County Managers to discuss the two budget options and develop a recommendation to be presented to the four elected boards in accordance with the OCPEH Funding Request process. Partners agreed that the 2024 Executive Team would make the recommendations rather than the outgoing 2023 Executive Team. Members present reviewed the Continuation and Expansion budgets and asked OCPEH staff clarifying questions regarding items requested under the Expansion budget. Staff also provided progress updates on the currently unfunded system gaps. Staff clarified that the Expansion budget request consists of the light-yellow portion, totaling \$798,611. The currently unfunded homeless system gaps are not included in the FY24-25 OCPEH Budget request.

### **January 31, 2024**

#### **FY24-25 Expansion Budget request**

Following the OCPEH Executive Team meeting, OCPEH staff amended the attached FY24-25 Budget request to clarify which elements are included in the Expansion Budget request. Staff also moved the HOME Grant funding, totaling \$121,989, from the "Investments Outside OCPEH" table to the "OCPEH Grants" table to reflect the source of these funds. This request includes: CoC personnel and operations (2.625 FTE), Street Outreach Harm Reduction and Deflection (SOHRAD) personnel and operations (4.0 FTE), Rapid Re-housing personnel and operations (0.5 FTE), Bridge Housing operations, and Coordinated Entry personnel and operations (0.5 FTE). This request enables the community to administer \$785,640 in federal and state grant funding.

			HILLSBOROUGH	
Percentage Split			6.50%	
Description	Staff	Total	PORTION	PREVIEWED
<b>OCPEH Expansion Budget</b>				
CoC Personnel	2.625 FTE: 1 Homeless Programs Manager, .625 Homeless Programs Coordinator & 1 Housing Access Coordinator	\$ 241,173	\$ 15,676	
CoC Operations		\$ 82,460	\$ 5,360	
SOHRAD Personnel	4.0 FTE: 1 Clinical Coordinator (CJRD), 3 Peer Street Navigator (OCPEH)	\$ 285,516	\$ 18,559	
SOHRAD Operations		\$ 37,050	\$ 2,408	
RRH Personnel	0.5 FTE (0.5 FTE from ESG Annual grant)	\$ 33,500	\$ 2,178	
RRH Operations		\$ 3,415	\$ 222	
Bridge Housing Operations	There is a critical need for short-term, low barrier, reentry housing and supporting services to help reentering individuals re-integrate into the community. Bridge Housing funds allow for short-term supportive stabilization housing in a congrate living home environment for up to 90 - 120 days for 16 reentering individuals per year through a partnership with Alliance Health and Caramore. Bridge Housing is an evidence-based best practice for ensuring stabilization and support for people reentering from incarceration, which has been identified as a critical priority by U.S. Housing and Urban Development Secretary, Marcia Fudge, and is an opportunity to pilot housing-focused support with the local Managed Care Organization.	0 FTE - 2/3 of annual operational costs (OCPEH is requesting funding for four of the six beds available. The two remaining beds will be funded with support from UNC Health).	\$ 147,887	\$ 9,613
Coordinated Entry Personnel	The Housing Helpline utilized CoC and ARPA funding during COVID to address the increased need for information, referrals, and Coordinated Entry assessments. As COVID-era funding winds down, the Community needs a continuation plan for Coordinated Entry access for people experiencing homelessness. The existing CoC grant provides funding for personnel for 2.5 CE staff. Funding is needed to provide salary support for a 0.5 FTE CE staff to address the increasing community need. The program will likely include a County-funded 1.0 FTE CE Team Lead to facilitate the Community's By-Name-List staffings and execute referrals to permanent housing programs.	0.5 FTE (0.5 FTE from CoC Supportive Service Only grant)	\$ 34,195	\$ 2,223
Coordinated Entry Operations		\$ 3,415	\$ 222	
FY23-24 Fund Balance	\$70,000 was approved to carry over from FY22-23 to apply in FY24-25; FY23-24 Fund Balance to be determined	n/a	\$ (70,000)	\$ (4,550)
<b>TOTAL EXPANSION BUDGET</b>		<b>\$ 798,611</b>	<b>\$ 51,910</b>	<b>\$ 51,910</b>
<b>Investments Outside OCPEH</b>				
Landlord Incentive Program	FY 23-24 General Fund Dollars	\$ 50,000		
PSH Funding	FY 23-24 General Fund Dollars - Permanent Supportive Housing to IFC	\$ 150,000		
Cold Weather emergency overnight shelter	FY 23-24 General Fund Dollars - Part-time as needed for staffing in accordance with the Community's Inclement Weather Response Plan. Existing IFC Cold Weather Cots operate at full capacity most nights that the air temperature is below 33 degrees.	PRN staffing	14,500	
Bridge Housing	FY23-24 Social Justice General Fund Dollars	\$ 94,794		
<b>TOTAL OUTSIDE INVESTMENTS</b>		<b>\$ 309,294</b>		
<b>OCPEH Grants</b>				
CoC Grant	\$157,208 (January - December 2024) - DV Rapid Re-housing grant transfer	0.9 FTE Rapid Re-housing Case Manager (DV); Rental and utility assistance	\$ 157,208	
CoC Grant	\$191,764 (October 2023 - September 2024) - Supportive Service Only: Coordinated Entry	2.5 FTE: 2.5 Coordinated Entry (Housing Helpline) Specialists	\$ 191,764	
CoC Grant	\$161,920 (November 2023 - October 2024) - Rapid Re-housing	2 FTE: 2 Rapid Re-housing Case Managers	\$ 161,920	
HOME Grant	\$121,989 FY 23-24 Year to Date spending - Rapid Re-housing	Rental and utility assistance	\$ 121,989	
ESG Annual	\$43,660 (January 2024 - December 2024) - Rapid Re-housing	0.5 FTE: 0.5 Rapid Re-housing Case Manager	\$ 43,660	
State Fiscal Recovery Funds	\$85,200 (January 2024 - June 2025) - Rapid Re-housing (CPS)	0.1 FTE Rapid Re-housing Case Manager; Rental and utility assistance	\$ 85,200	
CoC Planning Grant	\$23,899 (July 2023 - June 2024) \$50,000 (July 2024 - June 2025 - anticipated)	.2 FTE: Homeless Programs Coordinator; Stipends for people with lived experience	\$ 23,899	
<b>TOTAL GRANTS</b>		<b>\$ 785,640</b>		





April 23, 2024

Dear Hillsborough Board of Commissioners,

The Orange County Affordable Housing Coalition (OCAHC) includes non-profit housing developers, service providers, and advocacy groups, who all share a common mission: to advocate for the creation and preservation of safe, dignified, affordable housing in Orange County. We envision an abundance and variety of housing available to all who desire to live and thrive here.

First, we want to thank you, the Board of Commissioners, for your recent support and foresight, through planning for 2-cent equivalent funds for affordable housing and shelter uses by 2027 and the potential Affordable Housing Creation Reserve to spur new unit development. We are reaching out to ask that you also consider allocating future funds to support low-income homeowners. We also ask that this funding be flexible; be eligible for repair, accessibility, modification, and weatherization; and serve households who own their homes but not the land underneath.

While our Coalition, the OCAHC, advocates for a wide range of affordable housing and related policies and support, the formation of the Orange County Home Preservation Coalition (OCHPC) in 2017 has led to better data collection, data sharing, and coordinated evaluation of the condition of property of low-income and low-wealth homeowners. Their work has made clear the significant scale of this need. Over 230 low-income families are currently waiting for home repairs coordinated through the OCHPC, which has been able to evaluate 176 of those homes. The estimated cost of those 176 repairs is around \$2 million. We are reaching out to you because Hillsborough represents a crucial portion of this need, with 43 Hillsborough families on the waitlist, in need of repairs totaling over \$300,000.

The OCAHC is making this request, in conjunction with asks to Orange County and other Town partners, given the sheer scale of the backlog, the urgent nature of many of the repairs, the inflexibility of many existing sources, and how efficiently this use of funds meets local goals around equity and sustainability. The existing repair programs serving the 230+ family waitlist are largely intended for emergency repairs, yet at the moment households often wait 1-2 years for services. All households that receive assistance are low-income (78% of households served were considered very or extremely low-income in 2023), and OCHPC data shows that older adults (89% of households in 2023), persons with disabilities (56% of '23 households), and Black families (71% of '23 households), are over-represented in those who have been helped or are on the waitlist. These funds are addressing historic under-resourcing of marginalized communities and serving some of our community's most vulnerable citizens. Since OCHPC began collecting data in early 2022, of the 46 households in Hillsborough that have received assistance, 66% identified as Black, and an additional 9% identified as non-white.

Repairs and modifications for low-income homeowners have been shown to allow seniors to better age in place and reduce isolation, and improve health outcomes for homeowners. Energy efficiency upgrades benefit residents' energy bills, reduce financial burden, and ensure that the benefits of a more energy efficient future don't just belong to high-income families. While Hillsborough, like all of Orange County, absolutely needs to add affordable housing units, the investment in repair makes excellent use of scarce

resources, with the average repair or modification project costing \$20,000-30,000 compared to the nearly \$300,000 per unit it costs currently to create new affordable rental housing in the Triangle.

Finally, we ask specifically that any future funding dedicated to home repair be flexible. In some cases, applicants on the waitlist are bypassed because the existing funding comes with restrictions that make otherwise income-eligible households ineligible for assistance. For example, some sources require an entire home be brought up to current code when a homeowner is only looking for accessibility or minor repairs. In other cases, funds are only accessible when a home and land are owned together, leaving out homeowners in manufactured home communities.

We are grateful that Hillsborough is considering new ways to serve residents' housing needs, and we thank you for your serious consideration of this request. In the current climate, we must act boldly and invest in real solutions to our community's housing crisis.

A handwritten signature in black ink that reads "Daniel Bullock". The signature is written in a cursive, slightly slanted style.

Daniel Bullock  
OCAHC Preservations, Maintenance, and Displacement Committee Co-Chair



# Fees & Charges Schedule

## FY2025 Operating & Capital Budget

### Accounting

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Food & Beverage				
Food & Beverage Tax (failure to pay)	\$	500.00 Not to exceed \$500.00		
Single-Day Pre-Paid Food & Beverage Fee	\$	15.00		
Mobile Food Vendor Permit Fee <sup>1</sup>	\$	50.00		
Beer and Wine License				
On-premise malt beverage	\$	15.00		
Off-premise malt beverage	\$	5.00		
On-premise unfortified wine, on-premise fortified wine, or both	\$	15.00		
Off-premise unfortified wine, off-premise fortified wine, or both	\$	10.00		

<sup>1</sup>Mobile food vendor permits are valid as long as permit holder timely files Food & Beverage tax receipts and reports.

### Administration

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Photocopies	\$	0.10 per page		
Laser Printer Copies	\$	0.10 per page		
Town Clerk Certified Copies	\$	1.00 per page		
Board of Commissioners Meeting Notification Listing	\$	20.00 annually		
Town Code:				
Bound Copy	\$	40.00		
Unbound Copy	\$	25.00		
Supplements	\$	0.10 per page		
Motor Vehicle License Fee	\$	30.00 per vehicle		
Franchise Fees (Cable)		5% of gross receipts		

### Billing & Collections

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Returned Check / Bank Draft Fee	\$	25.00 per occurrence		
Disconnect / Reconnect for Returned Item	\$	40.00 per occurrence		
Connection Fee	\$	20.00		
Security Deposits:				
Water/Sewer Service				
Inside Town	\$	75.00		
Outside Town	\$	150.00		
Delinquent Fee	\$	40.00		
Late Fee (after 25th of month)		15%		
Reconnection Fee:				
Business Hours		No Charge		
After Hours (Town Error)		No Charge		
Same Day Turn-On Service	\$	50.00		
After Hours (Customer Request)	\$	50.00		
Account Servicing Fee for Payments Made with Unwrapped Coins				
A \$1.00 fee for 100 coins or fraction thereof that the town is required to count in excess of the first \$10.00 of unwrapped coins submitted for payment of the utility bill.	\$	1.00 per 100 coins		
Water Use Reduction Rebate				
One time rebate per water and/or sewer customer for new or replacement installation of low-flow faucets, showerheads and toilets (receipt or billing invoice of work required).	\$	10.00 per customer		

### Cemetery

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Lot Fee:				
Resident	\$	500.00		
Non-Resident	\$	1,000.00		
Lot Transfer				
Transfer Between One Pair of Lots		No Charge		
Transfer Between 3 or More Lots	\$	50.00 per pair of lots		

## Planning

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
<b>Special Event Permits</b>				
Public and Private Events on Private Property	\$ 20.00		\$ 25.00	
Public and Private Events on Public Property	\$ 35.00		\$ 40.00	
Street or Greenway Use Events	\$ 55.00		\$ 65.00	
<b>Applications for Review</b>				
Future Land Use Map or Comprehensive Sustainability Plan Amendment	\$ 300.00			
Unified Development Ordinance Text Amendment	\$ 300.00		\$ 400.00	
Rezoning to Planned Development District	The greater of \$2,000 or \$200	per acre		
Rezoning to general use, traditional conditional use, or overlay zoning district	The greater of \$500 or \$50	per acre		
Special Use Permit	The greater of \$1,000 or \$200	per acre		
SUP Modification Requiring Public Hearing	\$ 500.00			
SUP Modification not Requiring Public Hearing	\$ 300.00			
Masterplan and Planned Development Amendments	\$ -		\$ 500.00	
Minor Subdivision Review (1-4 lots with or without streets)	\$ 300.00			
Major Subdivision Review (5-19 lots with or without streets)	\$ 600.00			
Subdivision Review (4th review and subsequent additional reviews)	\$ 150.00			
Site Plan Review	\$ 600.00			
Site Plan Review (4th review and subsequent additional reviews)	\$ 200.00			
Construction Plan Review <sup>2</sup>				
Total building size less than 10,000 sf	\$ 600.00			
Total building size equal to or greater than 10,000 sf	\$ 1,000.00			
Construction Plan Review (4th review and subsequent additional reviews)	\$ 200.00			
Variance	\$ 200.00		\$ 300.00	
Street Closing Request	\$ 150.00			
Street Renaming Request	\$ 200.00			
Historic District Certificate of Appropriateness Minor Work (Staff Approval)	\$ -		The greater of \$25 or \$1	per \$1,000 of construction costs
Historic District Certificate of Appropriateness Major Work (HD Commission Approval)	\$ -		The greater of \$150 or \$1	per \$1,000 of construction costs
Certificate of Appropriateness, after the fact (work done without a COA or not in accordance with the approved COA)			\$ 300.00	
Historic District Minor Work	\$10.00		\$ -	
Zoning Verification Letter	\$40.00		\$ -	
<sup>1</sup> Rezoning reviewed in conjunction with an annexation request should first calculate the standard fee and then double it to account for the fiscal impact report for annexation requests.				
<sup>2</sup> This fee will apply to staff review of construction drawings, which is required for all projects requiring a Special Use Permit, Site Plan, or Major Subdivision review and modifications to any of these.				
NOTE: Special Use Permit, Site Plan, Subdivision, and Construction Drawing (and modifications) submittals that are not able to be approved or approved with conditions.				
Zoning Compliance Letter	\$ 40.00			
Appeals	\$ 200.00		\$ 300.00	
<b>Fees in Lieu of Construction</b>				
Sidewalks		125% of written, sealed, engineer's estimate for the cost of required sidewalk installation		
<b>Documents &amp; Maps<sup>1</sup></b>				
Unified Development Ordinance	\$ 25.00			
Historic District Design Guidelines	\$ 25.00			
Community Connectivity Plan	\$ 15.00			
Administrative Manual	\$ 10.00			
Parks & Recreation Plan and Small Area/Corridor Plans	\$ 10.00			
Zoning Map or Other Color Plot/Map (larger than 11x17)	\$ 10.00			
Town Street Map with Street Grid (11x17 Black & White)	\$ 2.00			
Future Land Use Map & Other 11x17 Color Maps	\$ 2.00			
Photocopies	\$ 0.10	per page		
<sup>1</sup> All town produced documents and maps can be provided in electronic form (pdf, jpeg, word, or excel) at no cost if we are provided with the media.				
<b>Zoning Compliance Permits</b>				
Home Occupation	\$ 25.00			
Signs (New or Replacement):				
Wall Mounted	\$ 40.00			
Free-Standing	\$ 75.00			
Sandwich Board	\$ 10.00			
Event Sign Package (package of signs allowed by 6.18.6.2)	\$ 20.00			
Banner (allowed by 6.18.6.3 & without other temporary signage)	\$ 5.00			
Change of Use (one business use to another or change in ownership)	No Charge			
Site Change (ie. fences, sheds, gazebos, decks, porches, ADUs)	\$ 75.00		\$ 50.00	
New Residential and Commercial Construction				
Projects costing \$499,999 or less - rounded to nearest thousand	\$ 1.00	per \$1,000 of construction cost; \$5 minimum		
Projects costing \$500,000 or more - rounded to nearest thousand	\$ 2.00	per \$1,000 of construction cost; \$5 minimum		
NOTE: The following items are all included in the "construction cost" used to determine the permit fee: grading, landscaping, site preparation, stormwater control, utilities, paving and structures. ZCPs will be issued for "grading only" and "paving only" projects consistent with the UDO.				
<b>Other Charges</b>				
Consultant Fee Reimbursement	Consultant Fee Reimbursement			
Projects constructing new roads will reimburse the Town for consultant fees to review road construction plans, specifications, and Traffic Impact Analysis (TIA) if needed.				
Zoning Compliance Penalty Fee	No-Permit Penalty			
Work begun without the necessary Zoning Compliance Permits or not in accordance with approved Zoning Compliance Permits will be charged a \$100 ZCP fee or the standard fee will be doubled, whichever is greater. Work requiring both a COA and ZCP shall only pay the increased COA fee.				

## Police

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Excessive Noise Violation		Fine up to \$250.00		
Fire Lane Parking Violation	\$	25.00		
Handicap Parking Violation	\$	100.00		
No-Through Truck Violation	\$	50.00		
Parking Citation	\$	10.00		
Sidewalk Table Service Permit Violation		Fine up to \$500.00		

## Public Space

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Portions of town parks may be reserved for private events according to the fees below.				
Large Picnic Shelter in Gold Park				
In-town resident	\$	20.00 per 3 hours		
Out-of-town resident	\$	30.00 per 3 hours		
Multi-Use Field in Gold Park or Cates Creek Park				
In-town resident	\$	10.00 per hour	\$	20.00 per 2 hours
Out-of-town resident	\$	20.00 per hour	\$	40.00 per 2 hours

## Solid Waste

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Roll-Out Refuse Container	\$	65.00 per container		
Residential Refuse Collection				
1 Roll-Out Container		No Charge		
2 or More Roll-Out Containers		TBD		
Bulk Pick-Up / Oversized Load (fee at the discretion of the Public)				
Works Supervisor and dependent on quantity, size and weight) <sup>1</sup>	\$	50.00 minimum		
Special Brush/Vegetation Collection			\$	130.00
Standard Collection	\$	70.00		
Large Collection (Require use of Knuckleboom)	\$	130.00		

<sup>1</sup>Oversized loads are those larger than the bed of a standard pick-up truck. This fee is set at staff discretion to limit overuse of the service covered by general tax revenues.

## Stormwater

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
<b>Plan Review</b>				
Single Lot Residential <sup>1</sup>	\$	100.00 per plan		
LID Project <sup>2</sup>	\$	250.00 per plan		
Standard Project (less than 1-acre of new impervious)	\$	500.00 per plan		
Standard Project (greater than 1-acre of new impervious) <sup>3</sup>	\$	500.00 per plan plus \$50/acre of new impervious		
Standard Phased Projects <sup>4</sup>	\$	250.00 per each subsequent phase submittal		
<sup>1</sup> Not part of a larger common plan for development or sale.				
<sup>2</sup> Projects that meet the State of North Carolina's Low Impact Development requirements and calculations.				
<sup>3</sup> For standard projects (non-LID projects) requiring stormwater management approval, the fee includes one project review meeting with staff and no more than three rounds of staff comments. If stormwater plans are still incomplete after the third review or if additional meetings with staff are required, the applicant will be required to pay an additional \$500 review fee to cover the significant staff time spent reviewing incomplete or non-compliant stormwater management plans.				
<sup>4</sup> Phased development projects are required to obtain a stormwater management plan approval for the entire project; as each subsequent phase is submitted, an additional fee will be required to ensure the phase plans comply with the overall stormwater management plan approval.				
<b>Stormwater Fee</b>				
Residential Property	\$	75.00 per year	\$	90.00 per year
Tier 1, Non-residential Property (0 to 10,000 sq. ft.)	\$	150.00 per year	\$	180.00 per year
Tier 2, Non-residential Property (10,001 to 30,000 sq. ft.)	\$	600.00 per year	\$	630.00 per year
Tier 3, Non-residential Property (30,001 to 100,000 sq. ft.)	\$	1,800.00 per year	\$	2,070.00 per year
Tier 4, Non-residential Property (100,001 to 200,000 sq. ft.)	\$	4,050.00 per year	\$	4,860.00 per year
Tier 5, Non-residential Property (200,001 to 600,000 sq. ft.)	\$	12,900.00 per year	\$	12,870.00 per year
Tier 6, Non-residential Property (600,001 to 800,000 sq. ft.)	\$	12,900.00 per year	\$	22,500.00 per year

## Streets

Description	Current Rate - FY24		Proposed Change - FY25	
	Rate	Basis	Rate	Basis
Driveway Permit - new/maintenance not with new construction	\$	50.00		
Utility Cut Permit application	\$	50.00 each		
Failure to repair initial cut within 30 calendar days	\$	150.00 each		
Failure to make warranty repair within 14 calendar days	\$	150.00 each		
Failure to obtain a permit prior to making a non-emergency cut	\$	150.00 each		
If owner requests town to do the work, the owner will also reimburse the town the full cost of materials in addition to the permit amount.				
Driveways constructed in conjunction with new construction will be reviewed concurrently with the permit for construction at no additional fee.				
Owners must call/schedule inspection of driveway installation at least 24 hours in advance.				



## Water & Sewer

Description	Rate	Current Rate - FY24 Basis	Rate	Proposed Change - FY25 Basis
<b>Water Treatment &amp; Distribution Use Fees</b>				
Water System Development or Capital Facilities Fee <sup>1</sup>				
Unit Cost of Capacity	\$	9.09 per gallon/day		
Residential				
One-bedroom	\$	1,091.00 120 gallons/day		
Two-bedroom	\$	2,181.00 240 gallons/day		
Three-bedroom	\$	3,272.00 360 gallons/day		
Four-bedroom	\$	4,363.00 480 gallons/day		
Five-bedroom	\$	5,453.00 600 gallons/day		
Six-bedroom	\$	6,544.00 720 gallons/day		
Non-Residential <sup>2,3</sup>				
General Business/Office Facilities	\$	227.00 25 gallons/employee		
Restaurant (full service)	\$	364.00 40 gallons/seat		
Store (without food service)	\$	909.00 100 gallons/1,000 sq. ft.		
Hotel (without in-room cooking)	\$	1,091.00 120 gallons/room		
Irrigation			Average Monthly Use x Unit Cost of Capacity	Average usage based on facility type (residential or non-residential)
<sup>1</sup> The System Development Fee shall be applied to new development that connects to the utility system. New development shall be defined as any of the following: 1) the subdivision of land, 2) the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which will or potentially result in additional water and sewer use after July 1, 2017. The Capital Facility Fee shall apply to existing development that connects to the system, or redevelopment of a parcel, vacant or otherwise, with a prior water or sewer connection that was in existence before January 1, 1990. Code 14-71				
<sup>2</sup> For non-residential customers, system development fees are scaled <sup>3</sup> for various categories of demand as specified by the North Carolina Administrative Code 15A NCAC 02T.0114 Wastewater Design Flow Rates.				
<sup>3</sup> The maximum cost justified system development fees for non-residential customers may also be calculated by dividing estimated flow from the Administrative Code by the one-bedroom gallons per day.				
Volume Charges:				
Residential Volume Charges - Inside Town				
Residential Service:				
Block 1 (0-2,125 gallons/month)	\$	22.80	\$	23.06
Block 2 (> 2,125 gallons/month)	\$	10.73 per 1,000 gallons	\$	11.53 per 1,000 gallons
Residential Volume Charges - Outside Town				
Residential Service:				
Block 1 (0-2,125 gallons/month)	\$	44.41	\$	44.97
Block 2 (> 2,125 gallons/month)	\$	20.90 per 1,000 gallons	\$	22.48 per 1,000 gallons
Bulk Water	\$	20.90 per 1,000 gallons	\$	22.48 per 1,000 gallons
<b>Water Connection Charge</b>				
Front Footage Fee <sup>1,2</sup> :				
0 - 50 Feet	\$	750.00 per connection		
> 50 Feet	\$	15.00 per foot per connection		
<sup>1</sup> For a lot abutting two or more water lines, the front footage fee will be calculated on the longest length of the side abutting the main.				
<sup>2</sup> To recover a portion of the costs of town-installed water mains, hydrants, valves and appurtenances after 1987 which are necessary to provide water service to abutting properties.				
Lateral Fee:				
Licensed utility contractors shall make connections to the town's existing water system after an approved connection request and payment of an application fee of <del>\$400</del> \$200, which includes a <del>preconstruction meeting</del> , town observation and <del>technical assistance about the tapping work</del> . <del>Tapping</del> This shall be at the owner's / applicant's expense. Where a licensed contractor makes connections as part of an approved water extension project there shall be no separate connection application required. The town may make water connections under emergency circumstances related to environmental health whereby no other option is available. Such connections will be made by the town at actual cost including time, materials, equipment, and restoration. (Code 14-48)			\$	200 Increase reflects average time spent
<b>Water Meter Fees<sup>1</sup></b>				
5/8"	\$	354.00	\$	385 Vendor FY25 pricing
3/4"	\$	484.00	\$	500 Vendor FY25 pricing
1"	\$	487.00	\$	555 Vendor FY25 pricing
1.5"			\$	925 Vendor FY25 pricing
> <del>1.5</del> 1.5"	Actual Cost of Meter to Town + \$100 Installation Fee		Actual Cost of Meter + \$100 delivery/installation fee	
<sup>1</sup> Note that water meters over 1" need to be installed by a plumber or contractor with observation by the town. Meters, strainers and spacers when needed are provided by the town.				
<sup>2</sup> Meter pricing is based upon disc type meters. If the meter supervisor determines an ultrasonic meter is better suited for a use, pricing will be at town cost + \$100.				
<b>Strainer Fees<sup>1</sup></b>				
2"	\$	445.00	\$	482 Vendor FY25 pricing
3"	\$	790.00	\$	971 Vendor FY25 pricing
4"	\$	1,465.00	\$	1,794 Vendor FY25 pricing
6"	\$	2,061.00	\$	2,549 Vendor FY25 pricing
8"	\$	3,461.00	\$	4,259 Vendor FY25 pricing
10"	\$	5,420.00	\$	6,548 Vendor FY25 pricing
<sup>1</sup> Strainers are not required if Neptune Mach 10 Ultrasonic Meters are used. For other meters, strainers are required for 2" or larger and will be at cost.				
<b>Fire Hydrant Meter Fees</b>				
Fire Hydrant Meter Security Deposit	\$	2,000.00		
Fire Hydrant Rental Fees (fees are in addition to deposit)				
Daily Rate	\$	20.00		
Weekly Rate	\$	100.00		
Monthly Rate	\$	300.00		
Semi-Annual Rate	\$	1,300.00		
Annual Rate	\$	2,500.00		
Fire Hydrant Meter Relocation Fee	\$	100.00		
<b>Wastewater Collection System Use Fees</b>				
Wastewater System Development or Capital Facilities Fee <sup>1</sup>				
Unit Cost of Capacity	\$	9.72 per gallon/day		
Residential				
One-bedroom	\$	1,166.00 120 gallons/day		
Two-bedroom	\$	2,333.00 240 gallons/day		
Three-bedroom	\$	3,499.00 360 gallons/day		
Four-bedroom	\$	4,666.00 480 gallons/day		
Five-bedroom	\$	5,832.00 600 gallons/day		
Six-bedroom	\$	6,999.00 720 gallons/day		

<b>Non-Residential<sup>2,3</sup></b>				
General Business/Office Facilities	\$	243.00	25 gallons/employee	
Restaurant (full service)	\$	389.00	40 gallons/seat	
Store (without food service)	\$	972.00	100 gallons/1,000 sq. ft.	
Hotel (without in-room cooking)	\$	1,166.00	120 gallons/room	
<sup>1</sup> The System Development Fee shall be applied to new development that connects to the utility system. New development shall be defined as any of the following: 1) the subdivision of land, 2) the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which will or potentially result in additional water and sewer use after July 1, 2017. The Capital Facility Fee shall apply to existing development that connects to the system, or redevelopment of a parcel, vacant or otherwise, with a prior water or sewer connection that was in existence before January 1, 1990. Code 14-71				
<sup>2</sup> For non-residential customers, system development fees are scaled <sup>3</sup> for various categories of demand as specified by the North Carolina Administrative Code 15A NCAC 02T.0114 Wastewater Design Flow Rates.				
<sup>3</sup> The maximum cost justified system development fees for non-residential customers may also be calculated by dividing estimated flow from the Administrative Code by the one-bedroom gallons per day.				
<b>Volume Charges:</b>				
<b>Inside Town</b>				
Block 1 (0-2,125 gallons/month)	\$	32.07		\$ 32.44
Block 2 (> 2,125 gallons/month)	\$	15.09	per 1,000 gallons	\$ 16.22 per 1,000 gallons
<b>Outside Town</b>				
Block 1 (0-2,125 gallons/month)	\$	62.54		\$ 63.26
Block 2 (> 2,125 gallons/month)	\$	29.43	per 1,000 gallons	\$ 31.63 per 1,000 gallons
<b>Wastewater Connection Charge</b>				
<b>Front Footage Fee<sup>1</sup>:</b>				
0 - 50 Feet	\$	1,000.00		
> 50 Feet	\$	20.00	per foot per connection	
<sup>1</sup> For a lot abutting two or more sewer lines, the front footage fee will be calculated on the longest side of the lot abutting the main.				
<sup>2</sup> To recover a portion of the costs of town-installed public sewer mains and appurtenances after 1987 which are necessary to provide sewer service to abutting properties.				
<b>Lateral Fee:</b>				
Licensed utility contractors shall make connections to the town's existing sewer system after an approved connection request and payment of an application fee of <del>\$400</del> \$200, which includes a <b>preconstruction meeting</b> , town observation and <b>technical assistance about the tapping work</b> . <b>Tapping</b> <del>the</del> shall be at the owner's/applicant's expense. Where a licensed contractor makes connections as part of an approved sewer extension project there shall be no separate connection application required. The town may make connections under emergency circumstances related to environmental health whereby no other option is available. Such connections will be made by the town at actual cost including time, materials, equipment, and restoration. (Code 14-48)	\$	200.00		
<b>Engineering</b>				
<b>Water / Sewer Availability Review</b>				
< 2 hours of effort	No Charge			No charge and then rounded to next dollar hourly rate of involved staff
Outside Engineering or Legal Costs (includes legal assistance in drafting easements, water and sewer extension contracts and other legal matters)	Actual Cost to Town			
				\$ 500.00 per project for pre-site plan submittal evaluations for capacity and identification of necessary improvements
<b>Entitlement Change Utilities Review Fee</b>				
<b>Engineering Construction Drawing Review<sup>1</sup></b>				
Site Plan Review Fee	\$	150.00	per review	
	\$	300.00	per review	\$ 1,200.00 staff review time being spent for small projects
<b>Non-Residential Construction Drawings without Extensions<sup>1</sup></b>				
Water Main Extension Review <sup>2</sup>	\$	3.50	per linear foot	
Sewer Main Extension Review <sup>2</sup>	\$	3.50	per linear foot	
Pumping Stations (engineering review, inspection, start-up and acceptance)	\$	8,000.00	for up to two reviews and comments	
Preliminary and Final Plat Reviews (Each)	\$	60.00	per review	
<sup>1</sup> This includes up to two reviews of plans, specifications, and permit and encroachment applications plus ability to serve documents. Plan changes and significant spec edits or additions after two full reviews will be \$300 each. A change in project scope or design after plan approval will restart the process. <b>Review fees will be charged upon intake of plans.</b>				
<b>Construction Observation / As Built Review</b>				
The town will observe all water and sewer meaningful work on projects not involving an extension of mains. On approved main extensions, inspectors will periodically stop by and confer with the 3rd party inspector on progress or when called by the contractor. The town inspector shall be present for all tapping of existing mains, acceptance testing and for planned shut downs for all work unless delegated or waived. A penalty will be incurred for performing tapping work without authorization or coordination.				
General Inspection	\$	50.00	per hour	\$ 75.00 More towards market cost but still less.
Return trip for acceptance testing	\$300 + \$0.25/lf of main over 1,000 lf + general inspection time			
FOG Device	\$	200.00		
Sewer System CCTV	\$	1.00	per lf	
Rejected CCTV due to nonconformance with specifications	\$	100.00	each occurrence	
Reinspection of service taps (including sewer cleanout, meter box, curb stop), mainline valves, hydrants, manholes, air release valves, and other singular items	\$	50.00	each + general inspection time	
As-Built Plan Review Fee				\$300 + \$.25/linear foot of water and sewer mains
<b>Other</b>				
Meter Replacement Fee	\$	50.00		\$50 or associated parts cost + \$50 At request or fault of customer
Meter Relocation Fee (includes physically moving the meter to a newly set box but not the tapping or relocation of the meter box)	\$	100.00		
Special Meter Read	\$	10.00		
Meter Test Charge	\$	35.00		
Hydrant Flow Test	\$	250.00		
Meter Pressure Test	\$	25.00	Unless confirmed problem due to public system operation	
Interruptible Water Meter Install - Return Trip	\$	50.00	per trip	
Special Irrigation Permit	\$	20.00	each	
Water Irrigation & Restriction Violations			Town Code 14-19, 14-41.1	
Cross Connection Control Violations			Town Code 14-56	
Perpetual Maintenance (new sewage pump stations)	Per Formula in Town Code			
Tampering Fees	Town Code 14-16 (a) (6) (i) and (ii)			
Meter Tampering Fee	\$	350.00		
Meter Tamping Civil Penalty <sup>1</sup>	\$	500.00		
Hydrant Tampering Fee	\$	500.00		
Hydrant Tampering Civil Penalty <sup>2</sup>	\$	3,000.00		
Making tap connections to water and sewer without approval or notification of work	\$	1,000.00	each	
<sup>1</sup> The civil penalty shall be doubled for any future offenses within a two-year period.				
<sup>2</sup> The civil penalty shall be doubled for any future offenses by the same person.				

# Water & Sewer Fund

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# Water & Sewer Fund

## FY2025 Operating & Capital Budget

### Revenues

#### 30 - W&S Revenue by Type

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Licenses/Permits/Fees	\$11,452,032	\$11,763,928	\$12,181,000	\$13,088,000	\$14,060,000
Fund Balance Appropriated	\$0	\$1,941,668	\$470,180	\$249,890	\$710,507
Interfund Transfers	\$0	\$2,529,422	\$474,468	\$350,000	\$0
Interest	\$387,355	\$615,005	\$385,500	\$50,000	\$50,000
Other	\$38,027	\$120,000	\$13,500	\$13,500	\$13,500
TOTAL	\$11,877,414	\$16,970,023	\$13,524,648	\$13,751,390	\$14,834,007

### Expenditures

#### 30 - W&S Expenditures by Department

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
<b>Water and Sewer</b>					
Administration of Enterprise	\$2,296,131	\$2,635,037	\$3,074,184	\$3,069,386	\$3,209,046
Wastewater Treatment Plant	\$2,248,636	\$2,566,026	\$2,537,151	\$2,441,373	\$2,416,830
Wastewater Collection	\$984,438	\$3,969,929	\$1,458,186	\$1,543,938	\$2,617,659
Water Distribution	\$1,313,903	\$3,036,708	\$1,788,828	\$1,699,467	\$2,161,731
Water Treatment Plant	\$1,151,331	\$1,877,943	\$1,557,069	\$1,839,683	\$1,390,050
West Fork Eno Reservoir	\$904,650	\$916,993	\$899,320	\$907,385	\$898,167
Billing & Collections	\$820,105	\$827,680	\$912,657	\$902,528	\$915,102
Utilities Administration	\$695,384	\$999,345	\$897,253	\$947,630	\$825,422
Transfer to Water/Sewer CRF	\$179,377	\$140,362	\$0	\$0	\$0
WATER AND SEWER TOTAL	\$10,593,954	\$16,970,023	\$13,124,648	\$13,351,390	\$14,434,007
<b>General Government/Water and Sewer/Stormwater</b>					
Contingency	\$0	\$0	\$400,000	\$400,000	\$400,000
GENERAL GOVERNMENT/WATER AND SEWER/STORMWATER TOTAL	\$0	\$0	\$400,000	\$400,000	\$400,000
<b>Non-Departmental</b>	\$326,671	\$0	\$0	\$0	\$0
TOTAL	\$10,920,625	\$16,970,023	\$13,524,648	\$13,751,390	\$14,834,007

### Financial Summary

#### 30 - W&S Revenues vs. Expenditures Financial Summary

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Revenues	\$11,877,414	\$16,970,023	\$13,524,648	\$13,751,390	\$14,834,007
Expenses	\$10,920,625	\$16,970,023	\$13,524,648	\$13,751,390	\$14,834,007
REVENUES LESS EXPENSES	\$956,788	\$0	\$0	\$0	\$0

### Fund Balance

	FY23 Actual	FY24 Estimate	FY25 Budget	FY26 Projection	FY27 Projection
Fund Balance Appropriation		\$1,026,208	\$403,988	\$249,890	\$710,507
Balance	\$11,802,548	\$10,776,340	\$10,372,352	\$10,122,462	\$9,411,955
FUND BALANCE %	108.1%	63.5%	76.7%	73.6%	63.4%

# Rate Coverage

Rate	Water Operations			Sewer Operations		
	FY25	FY26	FY27	FY25	FY26	FY27
7.5% per year rate increase	\$ 420,000	\$ 870,000	\$ 1,350,000	\$ 415,000	\$ 860,000	\$ 1,340,000
Continuation + Expansion +/-	\$ (317,026)	\$ (391,834)	\$ (276,762)	\$ (86,962)	\$ 141,944	\$ (433,746)
			W&S Total	\$ (403,988)	\$ (249,890)	\$ (710,507)



# Funded Requests

## FY2025 Operating & Capital Budget

### Water & Sewer Fund

Water and Sewer Fund			Requested			Budget Recommendation		
Department	Request	Description	FY25	FY26	FY27	FY25	FY26	FY27
Administration of Enterprise	Compensation & Classification Study Implementation	Implement tri-annual comp and class study. Study conducted in FY25, implemented in FY26.	-	90,000	90,000	-	90,000	90,000
Utilities Administration	Documents Digitization Project	Scan existing record drawings into digital format. Will improve accessibility of drawings for other town staff, design vendors, and development community. Would also reduce risk of losing records from floods or fires.	8,000	-	-	8,000	-	-
Utilities Administration	Jordan Lake Phase IV Allocation Evaluation	Evaluate allocation structure that currently allows the town 1 million gallons per date from Jordan Lake. OWASA Booster Pump Station project may affect allocation and allow more withdrawal through OWASA's direct intake from Jordan Lake.	35,000	-	-	35,000	-	-
Utilities Administration	Sewer Lift Station Abandonment Analysis	To analyze potential alignment for future gravity sewer extension that would allow existing gravity systems to bypass pumping stations.	95,000	-	-	-	95,000	-
Utilities Administration	Utilities Administrative Assistant	To provide administrative support that is currently being done by management staff, allowing management to do higher level field work and reimbursement filings.	77,666	73,930	75,561	77,666	73,930	75,561
Billing and Collections	Customer Service Noise and Privacy Wall Barrier	To reduce echos and provide privacy to customers.	20,880	-	-	20,880	-	-
Water Treatment Plant	Additional Required Lead and Copper Sampling	For EPA compliance of Lead and Copper Rule.	2,500	5,000	-	2,500	5,000	-
Water Treatment Plant	Finished Water Pump and Control Valve Rebuild	Replace current finished water pump that has been in service for nearly 20 years. Industry standards recommend rebuild approximately every 10 years. Two of three valves have already failed and required replacement. This request will address the third valve.	36,000	-	-	36,000	-	-
Water Treatment Plant	Liquid Ammonium Sulfate Pumping System	Apparatus to prevent a known carcinogen from forming in drinking water after chlorination. Project will replace hardware and software components, as well as plant equipment needed for hardware and software compatibility.	47,450	-	-	47,450	-	-
Water Treatment Plant	Main Console Replacement		100,000	-	-	100,000	-	-
Water Treatment Plant	Standby Generator Replacement		-	350,000	-	-	350,000	-
Water Distribution	Adron Thompson Renovation		-	249,848	499,696	-	249,848	499,696
Water Distribution	Hassell Water Tank Replacement	Land acquisition	150,000	-	-	31,478	-	-
Water Distribution	Large Meter Calibration Program	Improve accuracy of large water meters, which service the most water and provide the most revenue for the water system.	15,000	15,000	-	15,000	15,000	-
Water Distribution	Master Plan Improvements		200,000	400,000	400,000	-	-	400,000
Water Distribution	Water System Rehabilitation	To address ongoing water distribution system repairs needed via vendor contract when town staff are unavailable for repairs.	110,000	110,000	110,000	110,000	110,000	110,000
Wastewater Collection	Elizabeth Brady PS Upgrade	Design.	-	-	400,000	-	-	400,000
Wastewater Collection	Eno River Interceptors	\$5.05M @ 4% for 15 yrs	-	-	454,202	-	-	454,202
Wastewater Collection	Lawndale Basin Rehabilitation	\$616,760 @ 0.76% for 20 years	48,240	33,357	33,357	48,240	33,357	33,357
Wastewater Collection	Wastewater Rehab Capital Projects		500,000	-	500,000	66,192	-	85,150
Wastewater Collection	Sewer System Rehabilitation	To address ongoing wastewater collection system repairs needed via vendor contract when town staff are unavailable for repairs.	110,000	110,000	110,000	110,000	110,000	110,000
Wastewater Treatment Plant	Non-Potable Water Pump Rebuild	Recommended for rebuild/service every 10 years.	22,000	-	-	22,000	-	-
Wastewater Treatment Plant	VFD and MCC Monitoring	Needed to identify potential energy savings and opportunities to scaled down use of some equipment that requires higher energy use. Some equipment may be turned off at certain times.	65,000	-	-	65,000	-	-
			1,642,736	1,437,135	2,672,816	795,406	1,132,135	2,257,966



# Compensation & Class Study Implementation

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

Recurring

Justification Type

"Taking Care of What We've Got"

## Describe Request

Implement tri-annual compensation and classification study.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

30-80-7200 - Compensation & Class Study Implementation

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$0	\$90,000	\$90,000	\$180,000
TOTAL	\$0	\$0	\$90,000	\$90,000	\$180,000



# Jordan Lake Phase IV Allocation Evaluation

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

One Time

Justification Type

## Describe Request

The town has a Phase IV allocation from Jordan Lake for approximately 1 million gallons per day (MGD). Orange County also has an allocation. To access this allocation, the town would either need to buy water wholesale from Orange Water and Sewer Authority (OWASA) or from the City of Durham, because the town does not have a direct pipeline and intake at Jordan Lake. This proposal would evaluate accessing this allocation through the new booster station from OWASA as well as through Durham's system. The town will likely receive funding for the OWASA station through the State and Tribal Assistance Grant (STAG) program, and Durham is currently working on upgrades to its 700' zone adjacent to the Durham connection with Hillsborough.

Durham sells water to Chatham County under their Tier 1 rates of \$2.17/ccf or \$2.90/1,000 gallons and would likely offer similar structure to Hillsborough. OWASA currently charges residential customers \$3.43/1000 gallons and large customers \$25.82/1000 gallons. These rates could represent a significant cost savings to existing town customers when compared to the cost of future water treatment plant expansions.

## Link to Strategic Plan or Departmental Priorities

The proposed analysis aligns with current town priorities to reduce operating expenses. The proposed study would form the future basis for water purchase agreements, if cost effective.

## Alternatives & Operational Impact if Not Funded

Not pursuing the proposed project could lead to increased water treatment rates as future growth drives water treatment plant upgrades.

## Additional Information

## Budget Justification Expenditures

30-80-7220 - Jordan Lake Phase IV Allocation Evaluation

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$35,000	\$0	\$0	\$35,000
TOTAL	\$0	\$35,000	\$0	\$0	\$35,000



# Sewer Lift Station Abandonment Analysis

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
6	One Time	

## Describe Request

The town currently owns and operates 25 sanitary sewer pumping stations throughout its service area (one is at the WTP for the alum pond discharge). The majority of these were built by developers and are very old. These stations are more expensive to operate and maintain than gravity sewers. Many of them were slated for upgrades due to the collection system modeling, but others simply due to dilapidation. Town staff are very diligent about caring for the stations, but the small crew size focuses almost all their attention on them, instead of other priority duties within the rest of the collection system.

The proposed project would study abandonment alternatives for several current stations. The study would analyze potential alignments for future gravity sewer extensions that would allow existing gravity systems to bypass the pumping stations and flow downstream via gravity. Elimination of stations would not only decrease cost of operation and staff maintenance, but also dampen or equalize the wastewater flow into the treatment plant, making operation more predictable.

The abandonments to be studied would include Governor Burke to Strouds Creek, Lawndale to Rencher, Cemetery to Corbinton Commons, Cedar Creek into Cates Creek outfall, Gatemoore, Coachwood and Magnolia, as well as other potential abandonments throughout the system given their proximity to gravity sewers or other stations. The proposed study would also verify the downstream pumping station has capacity for the proposed abandonment where abandonment to a gravity sewer that drains to a pumping station is proposed. The costs of the proposed abandonments relative to the costs of future pumping station operations will also be considered.

Eliminating pumping stations will reduce overall operations and maintenance costs. The Utilities Department need to take care of what it has and also ensure staff is efficient. You will never hear anyone say that they want a sewage pumping station or that they are a breeze to maintain!

## Link to Strategic Plan or Departmental Priorities

The proposed project is consistent with current town priorities of reducing operations and maintenance costs. Reducing these costs will reduce future rate increase demands.

## Alternatives & Operational Impact if Not Funded

If the proposed project is not pursued, the number of pumping stations the town owns and operates will likely remain unchanged until future development is able to abandon the stations. The town will continue to operate and maintain the stations and may also have to perform significant capital improvements as components age or as basins increase in density. Pursuing the proposed project will allow these potential future costs to be avoided in addition to elimination of current, ongoing operational expenses.

# Additional Information

## Budget Justification Expenditures

30-80-7220 - Sewer Lift Station Abandonment Analysis

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$0	\$95,000	\$0	\$95,000
TOTAL	\$0	\$0	\$95,000	\$0	\$95,000



# Utilities Administrative Assistant

## Personnel Expansion Form (FY25-FY27)

### Describe Request

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Hire a full-time administrative assistant (remote work) to help the department, mainly the Collection and Distribution Divisions and Utilities Administration Division.

The Utilities Department staff spends much of their time on the computer or organizing, scanning, copying, pulling up information, etc. Duties include documenting work in the field, recording and preparing reports for monthly and annual regulatory reporting, coming to the annex to gather mail, answering many questions a day about various things - some very simplistic. Over 90% of the administrative work is electronic.

High level management and supervisory staff are preparing general correspondence and performing simplistic tasks at high hourly rates. This also takes time from ensuring quality checks on information entered by other staff into the Utility Cloud work order system, resulting in inconsistencies that make pulling reports from such a system very difficult and tedious, let alone incomplete and unhelpful due to missing or unreliable information (garbage in-garbage out). There is a backlog of paper written work orders that need to be entered into the work order system as well. We have been unable to pull together claims for reimbursement from contractor main strikes dating to a year ago due to lack of time.

If expensive and valuable staff time is freed up by having support staff to enter and update information like SOPs and maintenance manuals, preparing and formatting documents, helping organize files and spaces, and performing simpler tasks, engineers can focus on being out in the field, improving organization, making workspaces productive, and ensuring information is complete in Utility Cloud. It is envisioned that this person would be full-time and work remotely, stopping in for progress check-ins and to pick up whatever may be needed to perform a task. The department is open to a temporary appointment just to see how it goes and if it helps the team be more productive.

The department can keep this person busy with no concerns, and it would support the service excellence and economic diversity strategies by minimizing the cost of government and excel in service delivery by continuously improving. The Utilities Department notes that even smaller staffed departments have administrative staff as well as the police department, which is similar in size.

### Link to Strategic Plan or Departmental Priorities

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#### Alternatives & Operational Impact If Not Funded

Carry forth as current with highly paid and technical personnel spending time on more basic tasks and not being able to fully commit to departmental advancement and efficiencies.

### Additional Information

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Approve a remote administrative assistant position for the Utilities Department.



# Personnel Expansion Expenditures

30-80-7220 - Utilities Administrative Assistant

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Personnel	\$0	\$73,297	\$73,950	\$74,691	\$221,938
Operating	\$0	\$5,229	\$1,729	\$1,729	\$8,687
TOTAL	\$0	\$78,526	\$75,679	\$76,420	\$230,625



# Customer Service Noise and Privacy Wall Barrier

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
1	One Time	Current Service Expansion or Investment

## Describe Request

The thick glass walls and doors are built to prevent and provide exceptional noise barriers and to provide privacy for the building as a whole. The walls will also be useful for a lifetime and a profitable investment for the town as a whole because of the structure and quality materials that will be installed.

## Link to Strategic Plan or Departmental Priorities

The department priority is to develop a strategy to reduce noise, allow privacy for all departments involved and to create a lifelong solution for the building itself.

## Alternatives & Operational Impact if Not Funded

If not funded, echoes and loud noises will continue, and customers will not have privacy while having intimate conversations. The division is now unable to bring customers back to staff offices to discuss matters. The private documents waiting for processing will possibly be exposed to others. Other departments will continue to be disrupted and impacted. Unfortunately, there is no alternative way to resolve this issue without the installation of the wall barrier.

## Additional Information

This investment would be a lifetime benefit for the town as well as the multiple departments involved.

## Budget Justification Expenditures

30-80-7240 - Customer Service Noise and Privacy Wall Barrier

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$20,880	\$0	\$0	\$20,880
TOTAL	\$0	\$20,880	\$0	\$0	\$20,880



# Finished Water Pump and Control Valve Rebuild

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
2	Recurring	"Taking Care of What We've Got"

## Describe Request

Finished water pumps are used to pump treated drinking water into the water distribution system and fill water storage tanks located throughout the town. The water plant has three finished water pumps that were originally installed in 2004.

Within the past two years, two of the three pumps failed and had to be rebuilt. Based on this history, the third pump is expected to fail soon.

Ideally, this type of pump should be rebuilt (replace all wear items and inspect internal parts for damage) at around 30,000 hours of runtime. This equates to every ten years. The last pump that has not been rebuilt has been in service for nearly twenty years. Running a pump to failure is typically not advised, because failure can damage parts that would have otherwise not been damaged if rebuilt before failure.

Similarly, each finished water pump has a control valve. Two of the three control valves failed in the past four years. Control valves should be rebuilt every seven years. The control valve that has not been rebuilt is significantly overdue.

## Link to Strategic Plan or Departmental Priorities

Service Excellence

Objective 1: Maintain, protect, and optimize assets and infrastructure to drive reliability, cost effectiveness, and efficiency.

Objective 2: Provide quality municipal services through operational excellence and a culture of innovation.

## Alternatives & Operational Impact if Not Funded

The Water Treatment Plant can run both the pump and the control valve to failure. However, this will likely increase the cost of repair versus proactively having them rebuilt.

## Additional Information

Staff recommends rebuilding both the finished water pump and control valve in FY25.

Budget Justification Expenditures

30-80-8120 - Finished Water Pump and Control Valve Rebuild

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$36,000	\$0	\$0	\$36,000
TOTAL	\$0	\$36,000	\$0	\$0	\$36,000





# Liquid Ammonium Sulfate Pumping System

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
3	One Time	"Taking Care of What We've Got"

## Describe Request

Liquid Ammonium Sulfate (LAS) is used at the water plant to prevent Trihalomethanes (a known carcinogen) from forming in the drinking water after chlorination. The reliability and accuracy of this pumping system is critical to regulation compliance and protecting public health.

The existing LAS pumping system was installed in the 2003 plant upgrade and has performed well. However, the system is now dated and has exceeded its life expectancy. The control screen has faded and is at times unreadable, making adjustments to the feed system very difficult. Additionally, the pump controller utilizes proprietary software, so modifications to the programming is not possible.

The pump skid (includes pumps, piping, power distribution, and dampeners) are now corroded, unsightly, and in need of replacement. Please see pictures attached. Additionally, the antiquated pumps are much more expensive to replace than modern and superior pumps. New modern pumps will not work with the existing antiquated control system.

The existing pumping system does not include continuous and accurate chemical flow monitoring. Having continuous flow monitoring is extremely important when chemical dosing adjustments are needed due to changes in the process.

A new Pre-Engineered LAS pumping system can easily be installed that meets all of the plant's needs. Other than the required electrical work, the entire installation can be completed in-house by the town's qualified maintenance team.

## Link to Strategic Plan or Departmental Priorities

Service Excellence

Objective 1: Maintain, protect, and optimize assets and infrastructure to drive reliability, cost effectiveness, and efficiency.

Objective 2: Provide quality municipal services through operational excellence and a culture of innovation.

## Alternatives & Operational Impact if Not Funded

The life expectancy of the existing LAS pumping system has now been exceeded. A catastrophic failure of the system could result in the water plant not being able to meet regulatory requirements and not being able to deliver acceptable water quality to customers.

## Additional Information

Staff recommends funding the replacement of the existing LAS pumping system with a new and modern system.

## Budget Justification Expenditures

30-80-8120 - Liquid Ammonium Sulfate Pumping System

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$47,450	\$0	\$0	\$47,450
TOTAL	\$0	\$47,450	\$0	\$0	\$47,450





# Large Meter Calibration Program

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
None	Recurring	"Taking Care of What We've Got"

## Describe Request

The town has several larger meters (those over 1") in its system. By the billing system review, there are over 60-1.5" meters, over 90-2" meters, over 30-3" meters, 5-4" meters and 13-6" meters. The only way to determine whether a specific meter is operating efficiently is to test it. Establishing a meter maintenance program is recommended for all utilities. In a utility, large meters move the most water, so they in turn generate the most revenue. Maintaining the accuracy of these meters means maintaining or improving revenue for the utility. Water meters are not perfect instruments, and do not always provide accurate measurements. Over time, as the meter ages, wear and tear on the components and the accumulation of sediment, lime scale, and impurities reduces the accuracy of the meter. For example, a water audit conducted by the city of Tampa, Florida, found that inaccurate meters cost the city \$2,473,535 in Fiscal Year 2004. Dubuque, Iowa projected in a 2009 water meter testing program that inaccurate meters would cost the city \$676,000 in lost revenue, about 6.9% of the projected water and wastewater revenue for that fiscal year. While these cities are much larger than Hillsborough, it is still important that everyone pay fairly and fully for their water consumption.

Some of the meters in the town's system are over ten years in age. Accuracy deteriorates with meter age and if improperly installed. The town does not install the larger meters but purchases, delivers and observes installation. The current meter brand used by the town is Neptune. Larger meters are called compound meters, meaning there is a low flow meter and a high flow meter together in the vault. Once flow gets to a certain gallons per minute, the high flow meter starts measuring. In the billing system, the calculation sums the low and high flow meter readings for the customer's bill. All Neptune TRU/FLO Compound meters operate more accurately and reliably if installed properly. TRU/FLO Compound meter performance is directly related to the flow conditions of the water stream entering the meter. If the flow conditions are distorted as a result of upstream fittings or piping changes, the TRU/FLO Compound meter performance can be adversely affected.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

It is staff's understanding that there is not a large meter calibration program in place through the meter group to ensure flows from larger customers are accurately recorded. In fact, there are no test ports on larger meters for which to test meters in discussion with the meter supervisor. This program would evaluate the larger meters in the town system, ensure if the installation is still intact and in accordance with the manufacturer guideline, to see if test ports can be installed, and then test. This is anticipated for FY25. The town will have to have test meters of each size for which to compare. Alternatively, there are companies that will come do the testing. It would be prudent to also review the consumption of the large meter companies to ensure the meter is properly sized to capture the maximum flow and correct revenue as owners and flow conditions can vary over time.

## Additional Information

Plan to put large meters on an evaluation and test program to ensure proper consumption measurement and billing for revenues.

## Budget Justification Expenditures

30-80-8140 - Large Meter Calibration Program

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$15,000	\$15,000	\$0	\$30,000
TOTAL	\$0	\$15,000	\$15,000	\$0	\$30,000





# Water System Rehabilitation

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

Recurring

Justification Type

"Taking Care of What We've Got"

## Describe Request

This is an annual, recurring line item for as-needed contracting services to repair or rehabilitate water distribution system facilities. These contracting services would be utilized when town maintenance staff do not have the availability or expertise to perform the repair.

## Link to Strategic Plan or Departmental Priorities

Town utilities maintenance staff perform exemplary emergency repair services and place a high priority on keeping existing customers in service. The proposed project would allow town staff to maintain this focus by using a contractor to repair or replace projects that require a larger time commitment and can be outsourced. Sample projects include large meter vault repair or replacements, upsizing currently undersized waterlines, looping existing dead-end connections to improve redundancy and other improvements that would allow town staff to focus on unscheduled repairs and customer service enhancements.

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

30-80-8140 - Water System Rehabilitation

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$110,000	\$110,000	\$110,000	\$330,000
TOTAL	\$0	\$110,000	\$110,000	\$110,000	\$330,000



# Sewer System Rehabilitation

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

Recurring

Justification Type

"Taking Care of What We've Got"

## Describe Request

This is an annual, recurring line item for as-needed contracting services to repair or rehabilitate sewer collection system facilities. These contracting services would be utilized when town maintenance staff do not have the availability or expertise to perform the repair.

## Link to Strategic Plan or Departmental Priorities

Town utilities maintenance staff perform exemplary emergency repair services and place a high priority on addressing sewer backups affecting customer service or sewer spills that impact the environment. The proposed project would allow town staff to maintain this focus by using a contractor to repair or replace lines that require a larger time commitment and can be outsourced. Sample projects include replacing failed section of Orangeburg pipe, replacing brick manholes with precast manholes and other improvements that would allow town staff to focus on unscheduled repairs and customer service enhancements.

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

30-80-8200 - Sewer System Rehabilitation

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$110,000	\$110,000	\$110,000	\$330,000
TOTAL	\$0	\$110,000	\$110,000	\$110,000	\$330,000



# Non-Potable Water Pump Rebuild

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
None	Recurring	"Taking Care of What We've Got"

## Describe Request

While performing preventative maintenance, staff discovered some issues with the non-potable water pumps. Staff then realized that their 10-year rebuild/service is due. The first pump was done in FY24, and the second will need to be done in FY25. The rebuild/service is expected to cost \$22,000.

The rebuild/service includes replacing all seals and bearings, refurbish or replace all impellers, rewind electric motor and repainting the pump and motor. Labor for pulling the pump and reinstalling is also included.

## Link to Strategic Plan or Departmental Priorities

Objective 1: Maintain, protect, and optimize assets and infrastructure to drive reliability, cost effectiveness, and efficiency.

Objective 2: Provide quality municipal services through operational excellence and a culture of innovation.

## Alternatives & Operational Impact if Not Funded

The Wastewater Treatment Plant can run the pump to failure. However, this will likely increase the cost of repair versus proactively having it rebuilt and serviced.

## Additional Information

## Budget Justification Expenditures

30-80-8220 - Non-Potable Water Pump Rebuild

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$22,000	\$0	\$0	\$22,000
TOTAL	\$0	\$22,000	\$0	\$0	\$22,000





# VFD and MCC Monitoring

Budget Justification Form (FY25-FY27)

Priority Rank	Frequency	Justification Type
None	One Time	"Taking Care of What We've Got"

## Describe Request

The Wastewater Treatment Plant (WWTP) is the single largest user of electricity in the town. A significant amount of the power consumed at the WWTP is used by motors, blowers and other equipment controlled by Variable Frequency Drives (VFD)s and Motor Control Centers (MCC)s. This proposal includes installing equipment at the WWTP that monitors VFD and MCC amperage draws and frequencies at select locations and reports these results in real time to the software system that controls the WWTP. Trending this data will allow the WWTP to identify equipment that could be run less frequently or be reconfigured to draw less amps. These adjustments would enable the town to potentially lower its utility bills as well as reduce the carbon footprint associated with energy consumption. The proposed equipment can also provide early indications of certain types of equipment failure, allowing maintenance staff to take a more preventative approach to work scheduling.

## Link to Strategic Plan or Departmental Priorities

### Sustainability

Objective 2 - Intensify efforts to meet 2030 and 2050 clean energy goals, reducing overall energy consumption and increasing the use of clean energy for town operations.

### Service Excellence

Objective 1 - Maintain, protect, and optimize assets and infrastructure to drive reliability, cost effectiveness, and efficiency.

Objective 2 - Provide quality municipal services through operational excellence and a culture of innovation.

## Alternatives & Operational Impact if Not Funded

The plant does not have any continuous monitoring of its electrical use other than review of power bills. Review of power bills does not help at all with identifying specific issues that may be addressed to improve processes or equipment and reduce the plant's carbon footprint. If this request is not funded, reductions in power usage will not be achieved.

## Additional Information

## Budget Justification Expenditures

30-80-8220 - VFD and MCC Monitoring

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Capital	\$0	\$65,000	\$0	\$0	\$65,000
TOTAL	\$0	\$65,000	\$0	\$0	\$65,000





# Unfunded Requests

FY2025 Operating & Capital Budget

## Water & Sewer Fund

Water and Sewer Fund			Unfunded		
Department	Request	Description	FY25	FY26	FY27
Wastewater Treatment Plant	New Compact Work Truck	For use of plant operators in addition to the currently used F-150 that is shared with plant maintenance crew. This is a new fleet addition rather than a replacement.	26,750	1,000	1,000
			26,750	1,000	1,000



### Key Operations

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This budget unit is used to account for costs in the General Fund that directly benefit the Water and Sewer fund.

### FY24 Major Accomplishments

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- N/A

### FY25 Major Budget Changes

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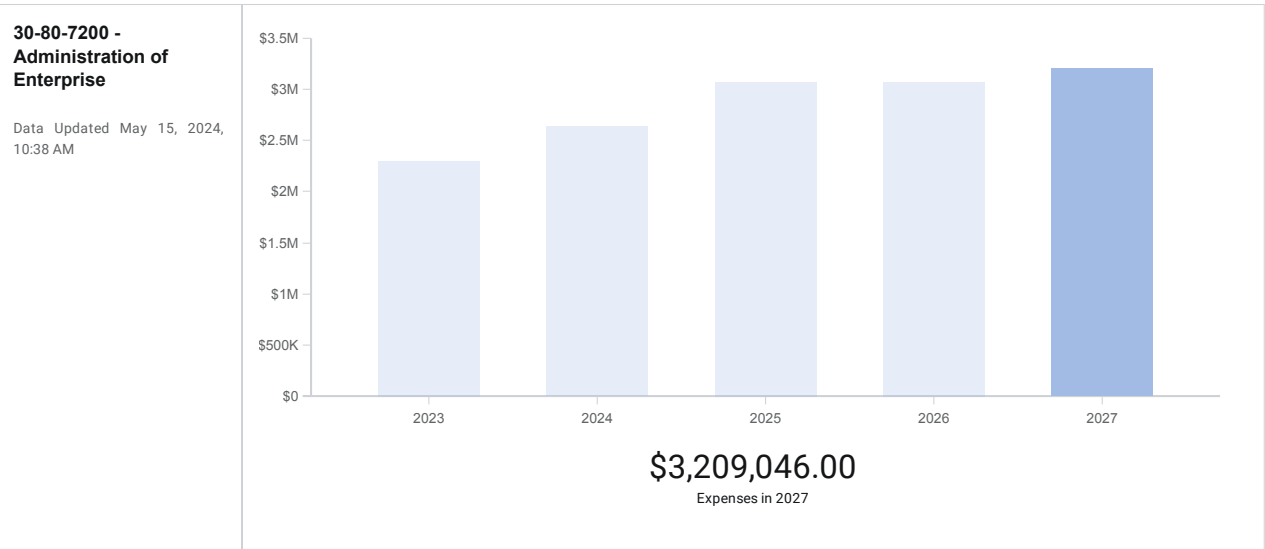
- No major forecasts or changes.

### Financial Forecast

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- Fiscal Years 2026 and 2027 include allocations to implement the forthcoming compensation and class study for employees. This allocation is \$90,000.

Expenditures by Category



Department Expenditure Summary

30-80-7200 - Administration of Enterprise

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Cost Allocations	\$2,251,164	\$2,571,316	\$2,887,959	\$2,691,161	\$2,728,821
Operating	\$43,530	\$63,721	\$186,225	\$378,225	\$480,225
Personnel	\$1,437	\$0	\$0	\$0	\$0
TOTAL	\$2,296,131	\$2,635,037	\$3,074,184	\$3,069,386	\$3,209,046





# Utilities Administration

## FY2025 Operating & Capital Budget

### Key Operations

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Utilities Administration manages the utilities operations for the town. It monitors requirements of the North Carolina Department of Environmental Quality – Division of Water Resources – Water Quality Permitting & Public Water Supply Sections to ensure that the utility system is operating properly. The department also reviews, approves and inspects all proposed expansions of the utility system, plans and manages town-funded utilities construction projects, operates the West Fork Eno Reservoir, supports the other divisions of the department and the Water and Sewer Advisory Committee, addresses customer inquiries on water or sewer availability, participates in regional and professional water resources organizations and partnerships and provides engineering advice to town departments as needed.

### FY24 Major Accomplishments

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- Purchased replacement vehicle for division - 2024 Ford Escape.

### FY25 Major Budget Changes

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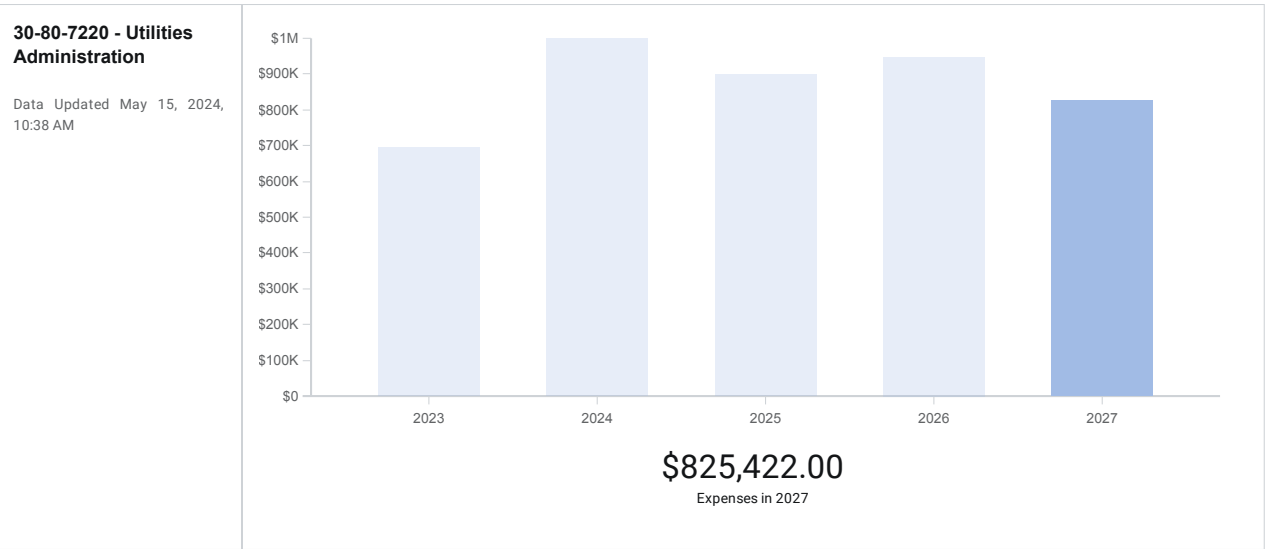
- Fiscal Year 2025 includes the addition of one (1) FTE Utilities Administrative Assistant position to assist the division with administrative tasks that currently stretch the workload of the engineers, which will allow those employees to focus on their core work.
- Fiscal Year 2025 includes an allocation of \$35,000 for the Jordan Lake Phase IV Allocation Evaluation, which will help the town assess the quantity of water that the town can pull from Jordan Lake, if needed, in the future.
- The division plans to continue long term flow monitoring of system for capacity.
- The division requests the reservation of funds for a consultant to perform new development modeling scenarios until staff can get software and learn modeling.

### Financial Forecast

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- Continued costs associated with new administrative position.
- Fiscal Year 2026 includes a one-time \$95,000 allocation for a Sewer Lift Station Abandonment Analysis.

Expenditures by Category



Department Expenditure Summary

30-80-7220 - Utilities Administration

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$552,271	\$555,460	\$611,059	\$615,789	\$620,927
Operating	\$143,113	\$510,227	\$436,194	\$331,841	\$204,495
Capital	\$0	\$31,158	\$0	\$0	\$0
Cost Allocations	\$0	-\$97,500	-\$150,000	\$0	\$0
TOTAL	\$695,384	\$999,345	\$897,253	\$947,630	\$825,422



# Billing & Collections

## FY2025 Operating & Capital Budget

### Key Operations

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Billing and Collections gathers water usage data, produces monthly water and sewer bills and collects utility bill payments as well as other revenues for town departments. The division is also responsible for service connections, leak checks and the repair/upgrade/maintenance of water meters. Billing and Collections serves as the main town facility providing one-on-one customer service to town residents and customers.

### FY24 Major Accomplishments

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### FY25 Major Budget Changes

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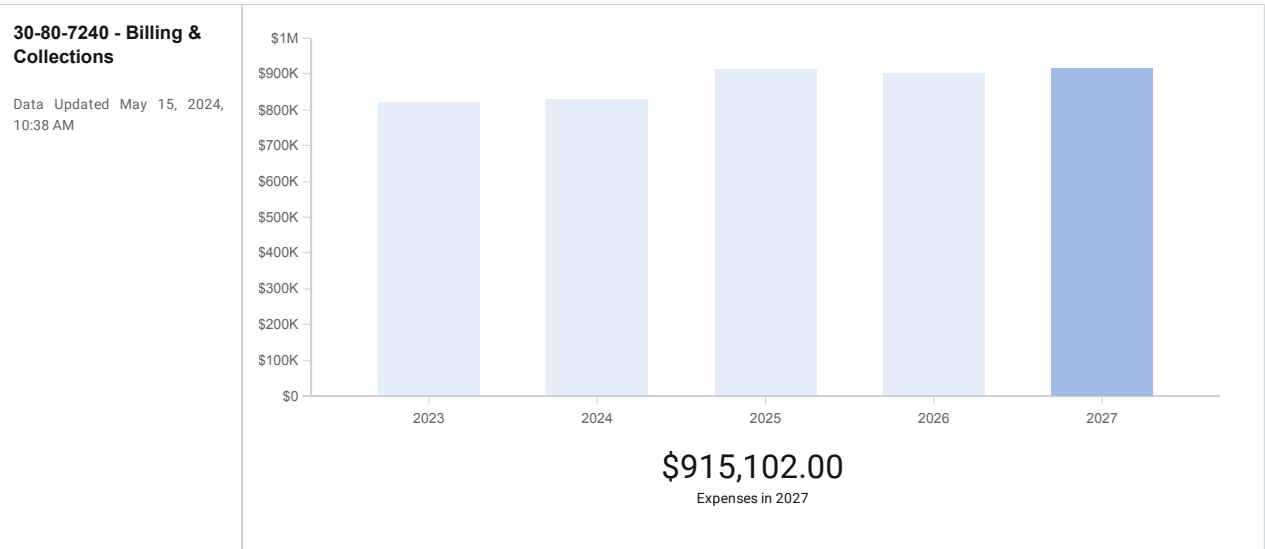
- The division requests a one-time allocation of \$20,880 in Fiscal Year 2025 for a noise and privacy wall barrier. This improvement will provide improved privacy for customers sharing personal information with the customer service team and provide a quieter work environment for staff in the Annex building.

### Financial Forecast

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- No major forecasts or changes.

Expenditures by Category



Department Expenditure Summary

30-80-7240 - Billing & Collections

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$340,772	\$356,980	\$450,506	\$454,222	\$458,386
Operating	\$384,913	\$431,574	\$402,145	\$409,180	\$417,590
Debt Service	\$39,125	\$39,126	\$39,126	\$39,126	\$39,126
Capital	\$55,294	\$0	\$20,880	\$0	\$0
TOTAL	\$820,105	\$827,680	\$912,657	\$902,528	\$915,102



# Water Treatment Plant

## FY2025 Operating & Capital Budget

### Key Operations

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The Water Treatment Plant treats water from the Eno River to meet state drinking water standards, as required by the North Carolina Department of Environmental Quality - Division of Water Resources. The treatment plant also tests the drinking water at its in-house, state-certified laboratory to provide safe, quality drinking water to Hillsborough residents and customers.

### FY24 Major Accomplishments

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- A new maintenance database was designed and created by staff to generate work orders, and track equipment services and repairs.
- A good equipment maintenance program includes monitoring critical equipment's electrical systems. New power monitors were installed to track voltage and amperage on critical equipment for a cost of \$8,380.
- The 20-year-old filter #1 flow control valve was replaced with a new one for \$7,700. The filter #2 valve will be replaced in FY25 and filter #3 valve in FY26.
- The sludge storage basins were emptied, and the sludge was applied to agricultural fields to be used as a soil amendment. This is typically done every other year. The cost to have this done was \$86,550.
- A new supervisory, control, and data acquisition (SCADA) system was installed to replace the existing outdated SCADA system. The new SCADA system provides process automation along with archiving process information. It is also powerful enough to be expanded for any potential future use. The upgrade cost was \$48,700.
- The old automatic power transfer switch was installed incorrectly, which resulted in severe water damage to the switch. A new automatic power transfer switch was installed in a manner to prevent future damage. The cost of the project was \$89,200.
- The raw water pumps transport water from Lake Ben Johnson to the water plant. Emergency repairs were made to both raw water pumps and new check valves installed. The project costs were \$226,000.
- The control panel for the standby power generator at the water plant failed. A new control panel was installed for \$31,360.
- An in-depth disinfection process analysis was completed to evaluate the current Chlorine feed system and a much safer disinfection alternative using Sodium Hypochlorite. The engineering cost for this project was \$55,000.

### FY25 Major Budget Changes

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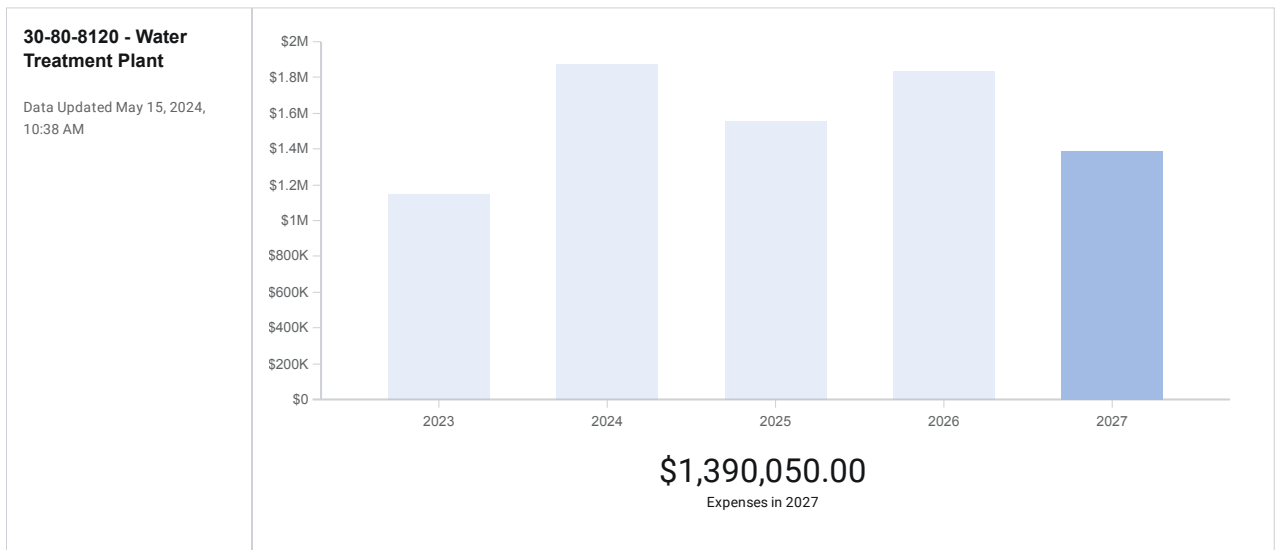
- Finished Water Pump and Control Valve Rebuild. The estimated cost is \$36,000 in Fiscal Year 2025.
- Lead and Copper Sampling. The estimated cost in Fiscal Year 2025 is \$2,500.

- New Liquid Ammonium Sulfate Pump System. The estimated cost in Fiscal Year 2025 is \$47,450.
- Main Console Panel Replacement. This capital outlay is funded with cash in the amount of \$100,000 in Fiscal Year 2025.

## Financial Forecast

- Continued Lead and Copper Sampling. The estimated cost in Fiscal Year 2026 is \$5,000.
- Fiscal Year 2026 includes a capital outlay allocation, funded with cash, for a new standby power generator. The estimated cost is \$350,000.

## Expenditures by Category



## Department Expenditure Summary

30-80-8120 - Water Treatment Plant

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
<b>Personnel</b>	\$617,134	\$720,446	\$779,233	\$786,585	\$792,867
<b>Operating</b>	\$449,865	\$877,551	\$597,557	\$624,847	\$518,932
<b>Capital</b>	\$0	\$107,640	\$100,000	\$350,000	\$0
<b>Debt Service</b>	\$84,332	\$82,306	\$80,279	\$78,251	\$78,251
<b>Interfund Transfers</b>	\$0	\$90,000	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$1,151,331</b>	<b>\$1,877,943</b>	<b>\$1,557,069</b>	<b>\$1,839,683</b>	<b>\$1,390,050</b>



# West Fork Eno Reservoir

## FY2025 Operating & Capital Budget

### Key Operations

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The West Fork Eno Reservoir (WFER) provides a supply of water for treatment and distribution by the town. The WFER supplements stream flow in the Eno River and boosts water availability during dry periods, typically June through November. The WFER is located in Cedar Grove, NC about 20 minutes from the town. Staff often find evidence of trespass, or damaged gates. The town is also required to maintain the surrounding water quality ponds which requires beaver removal. The town is part of the Triangle Area Water Supply Monitoring Plan, which includes USGS who samples the reservoir and the Eno River for certain water quality parameters to determine the health of the water.

### FY24 Major Accomplishments

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- Replaced original level sensor and flow sensor.
- Replaced rotting steps to tower walkway.
- Cleared bottom of spillway per state inspection recommendation.
- Placed signage around perimeter regarding restrictive deed and access.
- Added fencing to Carr Store entrance to deter trespassing.

### FY25 Major Budget Changes

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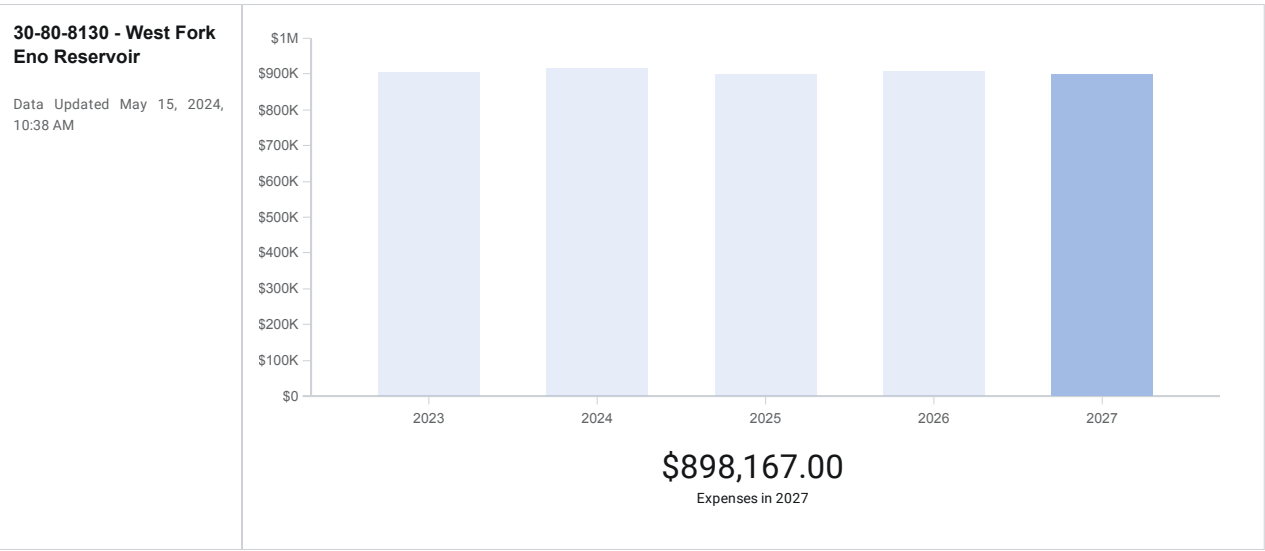
- Perform annual inspection of high hazard WFER per state operation and maintenance requirements.

### Financial Forecast

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- Replenish gravel drive on top of dam as grass is overgrowing.
- Continue high hazard dam annual inspections and water quality ponds and Lake Ben Johnson every few years.

Expenditures by Category



Department Expenditure Summary

30-80-8130 - West Fork Eno Reservoir

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Debt Service	\$840,146	\$839,737	\$839,960	\$840,025	\$839,807
Operating	\$64,504	\$77,256	\$59,360	\$67,360	\$58,360
TOTAL	\$904,650	\$916,993	\$899,320	\$907,385	\$898,167





# Water Distribution

FY2025 Operating & Capital Budget

## Key Operations

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The Water Distribution Division maintains the water distribution system, booster pump stations and water storage tanks to ensure water quality for the Town of Hillsborough and its customers as well as meet or exceed all state and federal regulations and requirements.

## FY24 Major Accomplishments

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- Performed some valve exercising, but much more to do.
- Completed spring burn-out.
- Evaluated system looping and fire flow.
- Created risk and resiliency plan and updated emergency response plan.
- Evaluated and created several standard operating procedures (SOPs), including operating the interconnections, water main breaks and monthly & quarterly alternation for Hassell St & Grady Brown School Rd Booster Pump Station pumps.
- The annually state inspection on the distribution system went great.
- Terminated some old galvanized water service lines.
- Began design of Adron F. Thompson facility upgrade.
- Applied for federal grant funds for the booster pump needed to receive water from OWASA.

## FY25 Major Budget Changes

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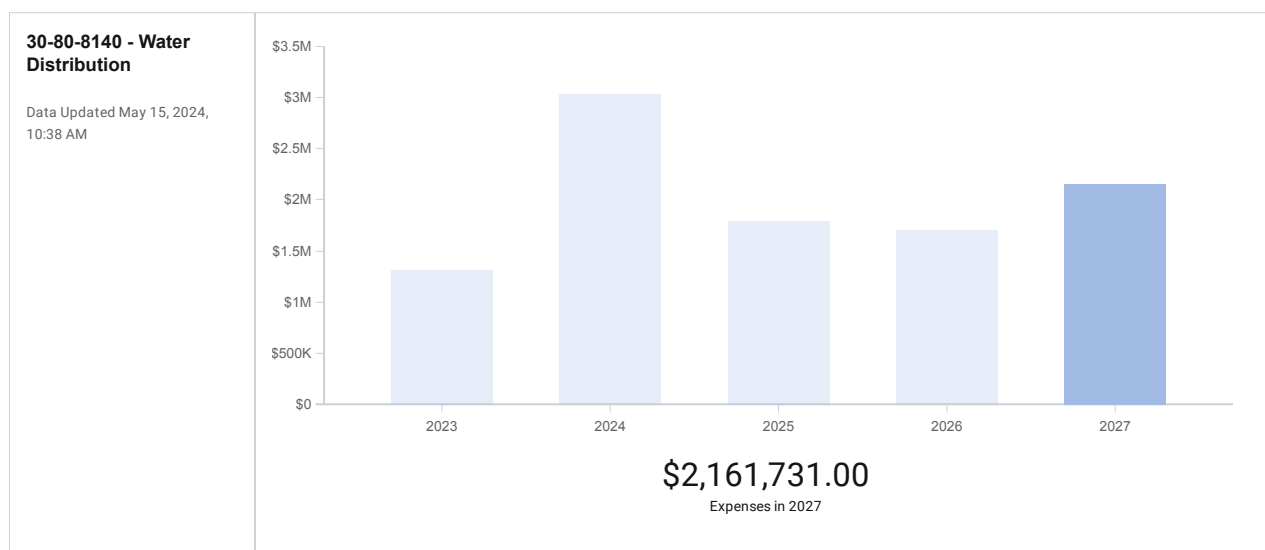
- Replace 6" PVC water line on Governor Burke Rd. (partially funded).
- Continue fire hydrant & valve replacement project.
- OWASA booster pump station design and construction (STAG or FEMA BRIC funded with 30% match).
- Installation of pressure monitoring gauges throughout the water system.
- Water system master planning model completion (AIA grant from state).
- Replace auto flushers with ones that monitor and operate from chlorine readings (purpose of flushers).
- The calibration of the system's large meters will require two allocations of \$15,000 for two consecutive years beginning with Fiscal Year 2025.

- The Fiscal Year 2025 budget includes an allocation of \$31,478 to the Hassell Water Tank Replacement project fund.

## Financial Forecast

- The distribution system has increasing needs due to its age and upcoming developments. There are several capital improvements projects recommended to address these needs. Many of the improvements will provide redundancy in the system and increased fire flow. It will take several years to upgrade the system with other competing priorities.
- Continue large meter calibration. Fiscal Year 2026 costs are budgeted at \$15,000.
- Debt service for Adron F. Thompson Renovation & Expansion project (shared with Wastewater Collection):
- Half payment budgeted for Fiscal Year 2026: \$124,924
- Full payment budgeted for Fiscal Year 2027: \$249,848
- \$110,000 allocated in Fiscal Year 2027 for ad-hoc water system rehabilitation needs not covered in Capital Improvement Plan.
- An allocation of \$400,000 is included in Fiscal Year 2027 for the execution of the Water Distribution Master Plan (included in CIP).

## Expenditures by Category



## Department Expenditure Summary

30-80-8140 - Water Distribution

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
<b>Personnel</b>	\$666,174	\$739,854	\$775,438	\$782,436	\$791,531
<b>Interfund Transfers</b>	\$170,592	\$1,497,594	\$374,468	\$0	\$400,000
<b>Operating</b>	\$347,768	\$553,691	\$384,800	\$527,985	\$516,230
<b>Debt Service</b>	\$94,122	\$94,122	\$94,122	\$219,046	\$343,970
<b>Capital</b>	\$35,248	\$151,447	\$160,000	\$170,000	\$110,000
<b>TOTAL</b>	<b>\$1,313,903</b>	<b>\$3,036,708</b>	<b>\$1,788,828</b>	<b>\$1,699,467</b>	<b>\$2,161,731</b>



# Wastewater Collection

## FY2025 Operating & Capital Budget

### Key Operations

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The Wastewater Collection Division operates and maintains the wastewater collection system, which includes pumps, pipes, valves and manholes, in accordance with the town's sewer collection system permit. The division is regulated by the North Carolina Department of Environmental Quality - Division of Water Resources.

### FY24 Major Accomplishments

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- Met the state requirements on sewer line cleaning for the year.
- Improving the sewer use and cross connection ordinance for clearer enforcement and improving program management for streamlined paperwork and follow-up efforts.
- Still working on enforcing ordinances for maintaining private sewers contributing extraneous rags, grease and flow to the sewer system. The backflow specialist continues to share educational information on the Fats Oil and Grease program.
- Completed relining manholes at Eno St and Dimmocks Mill Rd and finishing one manhole at Exchange Club and Orange Grove Rd.
- Received completed collection system modeling results and prioritization areas.
- Performed a sewer study of the Lawndale Sewer Basin. The study has been completed and the town has completed relining around 20 manholes in the Lawndale circuit.
- Analyzed shorter term options for River Sewer Basin while upgrade funding is determined.
- Under contract to have pump station panels upgraded. This will continue until they are all replaced along with some back boards also.
- Design contract for Adron F. Thompson facility.
- Installed the new pump at Elizabeth Brady and had the other two pumps rebuilt along with having the VFD's programmed.
- Installed the new wave starts on both pumps at Magnolia pump station along with both pumps being rebuilt.
- Replaced all the ARV's on the force mains expect for the Churton Grove force main, which the division is currenting working towards completing.

### FY25 Major Budget Changes

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- \$110,000 allocated in Fiscal Year 2025 for ad-hoc sewer system rehabilitation needs not covered in Capital Improvement Plan.

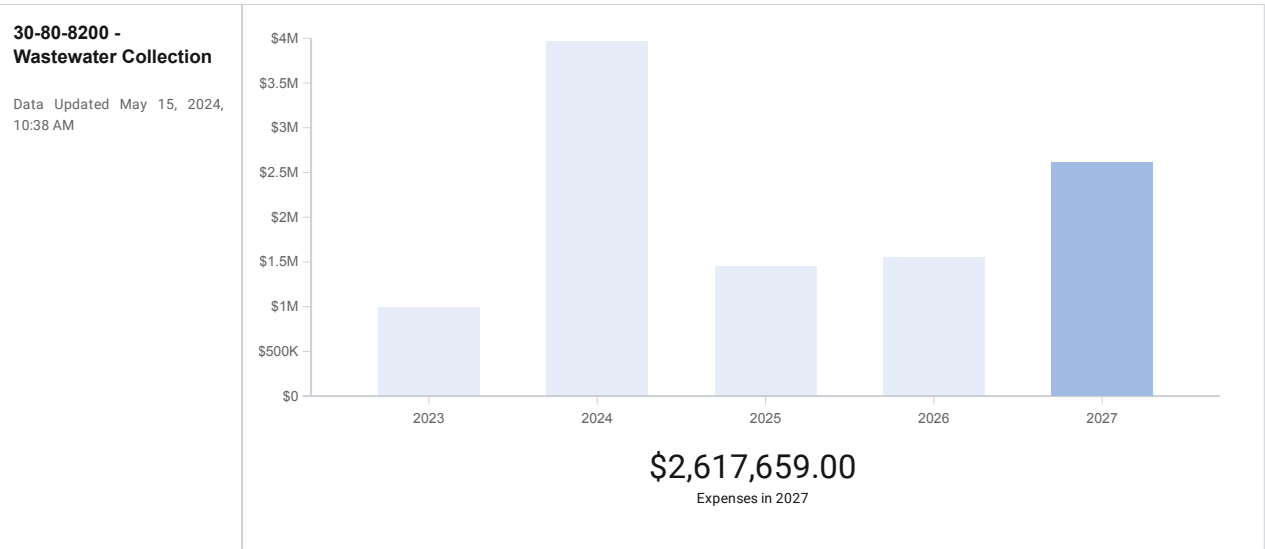
- \$66,192 allocated in Fiscal Year 2025 for bundled wastewater rehab projects as an interfund transfer to the Water & Sewer Capital Projects Fund.
- \$48,240 allocated in Fiscal Year 2025 for the Lawndale Basin Rehabilitation project as an interfund transfer to the Water & Sewer Capital Projects Fund.

## **Financial Forecast**

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- \$33,357 allocated in Fiscal Year 2026 for debt service related to the Lawndale Basin Rehabilitation project.
- Debt service for Adron F. Thompson Renovation & Expansion project (shared with Water Distribution):
- Half payment budgeted for Fiscal Year 2026: \$124,924
- Full payment budgeted for Fiscal Year 2027: \$249,848
- \$454,202 allocated in Fiscal Year 2027 for debt service related to the Eno River Interceptors project.
- \$85,150 allocated in Fiscal Year 2025 for bundled wastewater rehab projects as an interfund transfer to the Water & Sewer Capital Projects Fund.
- \$110,000 allocated in Fiscal Years 2026 and 2027 for ad-hoc sewer system rehabilitation needs not covered in Capital Improvement Plan.
- Materials charges continue to escalate and are experiencing long backorders.
- Staff cannot get to everything that should be done to maintain the collection system. Additional staff is needed to address the many needs.

Expenditures by Category



Department Expenditure Summary

30-80-8200 - Wastewater Collection

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Personnel	\$546,578	\$528,419	\$733,974	\$740,127	\$748,262
Interfund Transfers	\$0	\$2,307,797	\$114,432	\$0	\$485,150
Operating	\$382,137	\$634,803	\$499,780	\$535,530	\$536,840
Debt Service	\$0	\$0	\$0	\$158,281	\$737,407
Capital	\$55,723	\$498,910	\$110,000	\$110,000	\$110,000
TOTAL	\$984,438	\$3,969,929	\$1,458,186	\$1,543,938	\$2,617,659



# Wastewater Treatment Plant

## FY2025 Operating & Capital Budget

### Key Operations

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The Wastewater Treatment Plant (WWTP) treats wastewater from the Hillsborough wastewater service area and then discharges treated effluent to the Eno River, as regulated by the NC Department of Environmental Quality-Division of Water Resources and in accordance with the town's NPDES Discharge Permit. Water quality analyses are performed by an outside laboratory and the plant's in-house state-certified laboratory.

### FY24 Major Accomplishments

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- Staff replaced all the sweepers and backing bars in the clarifiers. This was a significant amount of work that included working high on scaffolding and installing very heavy items. The cost for parts alone was \$14,200.
- Non-potable water is continuously used throughout the wastewater plant. The water is used for pump seal lubrication, foam control, chemical carrier water, and washing the filters on the sludge press. The non-potable pumps need to have maintenance done every 10 years. Pump #1 was serviced this fiscal year for \$12,500. The second pump will be serviced in FY25.
- The influent grinder is used to grind up large items that come into the plant before going to the influent pumps. The grinder will break or shred construction debris such as wood, concrete, or plastic items. Other items include rocks, towels, and grit. These extreme conditions caused the grinder to fail. The grinder was rebuilt in-house and a new motor assembly was purchased. The new motor assembly cost \$10,200.
- Holistic master plan for the wastewater plant was completed. This master plan provided a roadmap to compliance with the town's permit to an average daily influent flow of 3.0 million gallons per day.

### FY25 Major Budget Changes

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- Training/Conferences/Conventions: New employees are eager to learn. Providing a small increase in training will help boost morale, confidence, and knowledge in preparation for the future employee attrition expected within the next five years.
- Maintenance – Contracts: The triennial PM service for the back-up power generator is due in FY25. This service is extensive and is expected to cost \$11,400.
- Supplies – Chemicals: Chemicals increased dramatically this year. For example, sludge flocculent costs increased 35.4%, and Chlorine increased 50%.
- Uniforms: To comply with safety regulations, the maintenance crew now has flame resistant uniforms for doing electrical work.
- One-time allocation for Non-Potable Water Pump Rebuild: \$22,000 in Fiscal Year 2025.
- One-time allocation for VFD and MCC Monitoring: \$65,000 in Fiscal Year 2025.

## Financial Forecast

- No major forecasts or changes.

## Expenditures by Category



## Department Expenditure Summary

30-80-8220 - Wastewater Treatment Plant

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Debt Service	\$1,152,842	\$1,130,981	\$1,109,119	\$1,087,258	\$1,065,396
Personnel	\$629,493	\$751,099	\$769,599	\$775,670	\$782,361
Operating	\$466,301	\$683,946	\$593,433	\$578,445	\$569,073
Capital	\$0	\$0	\$65,000	\$0	\$0
TOTAL	\$2,248,636	\$2,566,026	\$2,537,151	\$2,441,373	\$2,416,830



### Key Operations

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The Contingency budget unit is designed to assist the town in covering any unanticipated expenditures. It also allows the town to take advantage of opportunities that arise during the fiscal year that may not be available later. The Contingency allocation cannot exceed 5 percent of all other appropriations in the same fund.

### FY24 Major Accomplishments

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- N/A

### FY25 Major Budget Changes

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- N/A

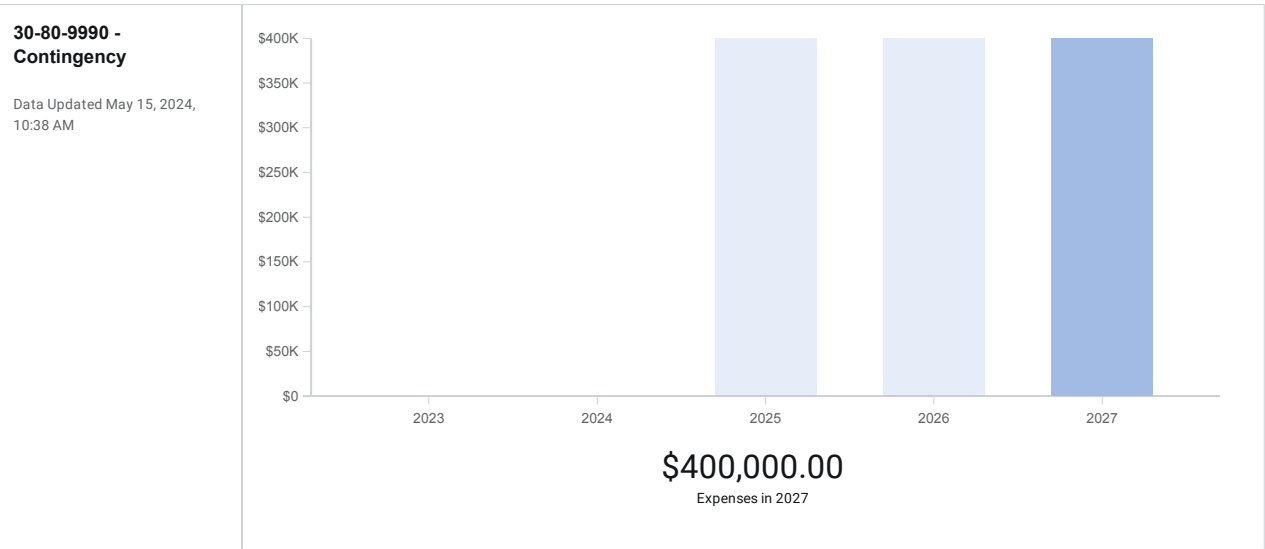
### Financial Forecast

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- N/A



Expenditures by Category



Department Expenditure Summary

30-80-9990 - Contingency

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Operating	\$0	\$0	\$400,000	\$400,000	\$400,000
TOTAL	\$0	\$0	\$400,000	\$400,000	\$400,000

# Water and Sewer Capital Improvement Plan

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# Water & Sewer Capital Improvement Plan Summary

Capital Improvement Plan (FY25-FY31)

## Water & Sewer Capital Improvements Expenditures by Project

W&S CIP Expenditures by Project

Worksheet Name	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Adron F. Thompson Facility Renovation & Expansion	\$3,795,600	\$3,500,000	\$0	\$0	\$0	\$0	\$0
Cates Creek Outfall Upgrade	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0
Eno River Interceptors	\$750,000	\$0	\$5,050,000	\$0	\$0	\$0	\$0
Elizabeth Brady Pump Station and Force Main Upgrade	\$300,000	\$0	\$0	\$400,000	\$3,750,000	\$0	\$0
Hasell Water Tank Replacement	\$40,000	\$75,000	\$0	\$0	\$300,000	\$3,255,000	\$0
US-70 Business Water Improvements	\$305,000	\$0	\$0	\$0	\$50,000	\$2,970,000	\$0
Water Distribution System Master Plan Improvements	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$500,000
Eno River West Interceptor Upgrade	\$0	\$0	\$0	\$0	\$0	\$350,000	\$1,790,000
Lawndale Basin Rehabilitation	\$935,000	\$1,165,000	\$0	\$0	\$0	\$0	\$0
Wastewater Rehab Projects	\$0	\$500,000	\$0	\$500,000	\$0	\$0	\$0
Exchange Club Interceptors	\$190,000	\$20,000	\$1,270,000	\$0	\$0	\$0	\$0
Hydrant & Valve Project	\$487,647	\$0	\$0	\$0	\$270,000	\$275,000	\$0
Galvanized Water Main and Lead/Galvanized Service Replacement	\$160,000	\$0	\$0	\$0	\$0	\$0	\$200,000
Water Treatment Plant Standby Power Generator Replacement	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0
Tertiary Filter Flocculators	\$0	\$0	\$0	\$0	\$0	\$10,000	\$180,000
Bellevue Mill Interceptor Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
Water Treatment Plant Main Console Replacement	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$6,963,247</b>	<b>\$5,360,000</b>	<b>\$6,670,000</b>	<b>\$1,300,000</b>	<b>\$4,770,000</b>	<b>\$8,260,000</b>	<b>\$2,810,000</b>

Worksheet Name	2030-31	Total
Adron F. Thompson Facility Renovation & Expansion	\$0	\$7,295,600
Cates Creek Outfall Upgrade	\$5,400,000	\$6,400,000
Eno River Interceptors	\$0	\$5,800,000
Elizabeth Brady Pump Station and Force Main Upgrade	\$0	\$4,450,000
Hasell Water Tank Replacement	\$0	\$3,670,000
US-70 Business Water Improvements	\$0	\$3,325,000
Water Distribution System Master Plan Improvements	\$500,000	\$2,200,000
Eno River West Interceptor Upgrade	\$0	\$2,140,000
Lawndale Basin Rehabilitation	\$0	\$2,100,000
Wastewater Rehab Projects	\$500,000	\$1,500,000
Exchange Club Interceptors	\$0	\$1,480,000
Hydrant & Valve Project	\$0	\$1,032,647
Galvanized Water Main and Lead/Galvanized Service Replacement	\$200,000	\$560,000
Water Treatment Plant Standby Power Generator Replacement	\$0	\$350,000
Tertiary Filter Flocculators	\$0	\$190,000
Bellevue Mill Interceptor Upgrade	\$40,000	\$180,000
Water Treatment Plant Main Console Replacement	\$0	\$100,000
<b>TOTAL</b>	<b>\$6,640,000</b>	<b>\$42,773,247</b>

## Water & Sewer Capital Improvements Revenues by Type

W&S CIP Revenues by Type

Object Type	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Debt Issuance Proceeds	\$3,000,000	\$4,616,760	\$5,050,000	\$0	\$3,750,000	\$3,891,475	\$1,790,000
Interfund Transfers	\$3,893,247	\$525,937	\$1,620,000	\$885,150	\$1,020,000	\$4,368,525	\$1,020,000
Other	\$70,000	\$217,303	\$0	\$414,850	\$0	\$0	\$0
TOTAL	\$6,963,247	\$5,360,000	\$6,670,000	\$1,300,000	\$4,770,000	\$8,260,000	\$2,810,000

Object Type	2030-31	Total
Debt Issuance Proceeds	\$5,400,000	\$27,498,235
Interfund Transfers	\$1,240,000	\$14,572,859
Other	\$0	\$702,153
TOTAL	\$6,640,000	\$42,773,247

## Water & Sewer Capital Improvements Financial Summary

W&S CIP Financial Summary

Expenses	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Revenues	\$6,963,247	\$5,360,000	\$6,670,000	\$1,300,000	\$4,770,000	\$8,260,000	\$2,810,000
Expenses	\$6,963,247	\$5,360,000	\$6,670,000	\$1,300,000	\$4,770,000	\$8,260,000	\$2,810,000
TOTAL	\$13,926,494	\$10,720,000	\$13,340,000	\$2,600,000	\$9,540,000	\$16,520,000	\$5,620,000

Expenses	2030-31	Total
Revenues	\$6,640,000	\$42,773,247
Expenses	\$6,640,000	\$42,773,247
TOTAL	\$13,280,000	\$85,546,494



# Adron F. Thompson Facility Renovation

## Capital Improvement Project (FY25-FY31)

### Project Description

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Renovate and expand of the Adron F. Thompson building to include a new welding shop, stock room for inventory, additional office space, storage and restrooms.

### Project Justification

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The Adron F. Thompson building was originally a water treatment plant built in 1936. The Water Distribution and Wastewater Collection divisions began using the building after the new water plant was built in 1972. The building was expanded in 2003 to provide a lunchroom and meeting area, but no longer meets the needs of staff, with sixteen employees sharing three offices and two small bathrooms. A study of the facility noted that there are components of the building that contain asbestos and lead. Furthermore, the welding shop is not properly ventilated, and it is not a good space to perform this work. Some of the workspaces are not conditioned, requiring staff to use floor heaters and fans. The building is also not ADA compliant.

A concept study shows that the existing facility can be remodeled with a small addition to accommodate current and future employees while maintaining the historic nature of the original building. Safety and building codes will be addressed in this project, including electrical, HVAC, sanitary, fire, and security. Improvements to the stock yard are also included, as well as bringing natural gas power to the building. The conceptual plan is ready to be more formalized through a two-phase design contract. The first phase will drill down on the concepts presented in the plan to formulate a design basis and estimated fee. The second phase will prepare the design, permit and bid the project. The last phase will be construction.

### Project Highlights

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Delaying this project will result in many avoidable issues. Sanitary issues with so many employees using the same small bathroom could result in excessive sick days. Working in a building with known lead and asbestos and no HVAC in parts is a hazard. Organization will continue to be difficult with multiple employees working out of a small space. Inventory will not be accounted for accurately. Assets stored outside will not be under cover and may need to be replaced sooner than anticipated. The welding shop may not be available for use.

The construction portion of this project is scheduled for a \$6.5M installment loan, likely in Fiscal Year 2025.

## Project Expenditures

30-80-8140 - Adron Thompson Facility Renovation & Expansion

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Adron Thompson Facility Renovation	\$3,795,600	\$3,500,000	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$3,795,600</b>	<b>\$3,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Object	2030-31	Total
Adron Thompson Facility Renovation	\$0	\$7,295,600
<b>TOTAL</b>	<b>\$0</b>	<b>\$7,295,600</b>

## Project Revenues

30-80-8140 - Adron Thompson Facility Renovation & Expansion

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Installment Financing - Adron Thompson Facility Reno	\$3,000,000	\$3,500,000	\$0	\$0	\$0	\$0	\$0
Transfer From WSF - Adron Thompson Facility Renovation	\$795,600	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$3,795,600</b>	<b>\$3,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Object	2030-31	Total
Installment Financing - Adron Thompson Facility Reno	\$0	\$6,500,000
Transfer From WSF - Adron Thompson Facility Renovation	\$0	\$795,600
<b>TOTAL</b>	<b>\$0</b>	<b>\$7,295,600</b>





# Cates Creek Outfall Upgrade

Capital Improvement Project (FY25-FY31)

## Project Description

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■ Upsize the Cates Creek Outfall to address anticipated demand from current and anticipated growth.

## Project Justification

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The Cates Creek Outfall is 3.4 miles long and was built in two phases. The upper reach, which discharges into the Elizabeth Brady Pumping Station was built in the mid-1990s. The lower portion, which is called Phase 2, was built in the early to mid-2000s when Waterstone began to develop. The entire line is the main pipeline in the Elizabeth Brady sewer basin.

Collection system modeling shows in the next ten years that the outfall will need to be monitored and upsized appropriately. While much newer than the River Pumping Station Eno River Interceptors, there is evidence of a wet weather response in the system. This schedule may need to be escalated however due to a recent inquiry about a significant development south of Waterstone Drive that was not accounted for in modeling, as well as the underestimation of demand proposals of sites that were accounted for. The scope and extent of the upsizing is currently unknown, but the proposed development, if it proceeds, would exceed the pipe capacity in some areas. Developers will be expected to cost share in necessary upgrades.

## Project Highlights

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This request relates to the Elizabeth Brady Pumping Station and Force Main project as both will need to be investigated and upsized accordingly, either sooner or later depending on development pacing. If the project is not approved, development will be limited, and sanitary sewer overflows may occur as the system ages and starts to leak more.

At this time, the town hopes to utilize the State of North Carolina's revolving loan program for wastewater infrastructure to fund the construction portion of this project.

## Project Expenditures

30-80-8200 - Cates Creek Outfall Upgrade

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Infrastructure	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0

Object	2030-31	Total
Capital - Infrastructure	\$5,400,000	\$6,400,000
TOTAL	\$5,400,000	\$6,400,000

## Project Revenues

30-80-8200 - Cates Creek Outfall Upgrade

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State Revolving Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer From Water Fund	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0

Object	2030-31	Total
State Revolving Loan	\$5,400,000	\$5,400,000
Transfer From Water Fund	\$0	\$1,000,000
TOTAL	\$5,400,000	\$6,400,000





# Eno River Interceptors

## Capital Improvement Project (FY25-FY31)

### Project Description

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Replace approximately 1 mile of 18" and 21" pipes with at least 30" and 36" pipes from the current River Pumping Station location to Churton Street, along with several manholes.

### Project Justification

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The Eno River Interceptors were constructed with the wastewater plant in the mid-70s, thus they are over 40 years old. They are concrete and subject to corrosion from hydrogen sulfide. The original interceptors were installed very shallow – in places less than 4 feet deep, making them susceptible to damage by excavation or directional drilling of communications lines. There is also corrosion from hydrogen sulfide.

No significant rehabilitation or replacement of the collection system in this area has ever occurred. Over the years, the interceptor manholes were raised to prevent sanitary sewer overflows due to wet weather surcharging (water other than wastewater entering the system) and because they were not protected from the floodplain. The original manholes are constructed of brick material and subject to groundwater intrusion. Hydraulic modeling shows that due to the shallowness and some flat sloped pipes, the pipes are exceeding their capacity during wet weather events. The wastewater is getting to within two feet of the manhole tops under certain conditions. The town has committed and projected growth, including upcoming projects like Collins Ridge, Moren and the Research Triangle Logistics Park. These and other similar projects will eventually overwhelm the collection system, resulting in sanitary sewer overflows and violations, and possibly even a moratorium on growth until upsizing can occur. To support current needs and future growth through 2040, these pipes need to be upsized.

Since these interceptor pipes carry flow from areas that are the focus of growth, the Board has already agreed to defer large projects contributing wastewater into the River pumping station basin due to wet weather concerns as we investigate our most leaky basin, Lawndale, and secure funding for this replacement. A consultant has also investigated temporary ways we can relieve the interceptors during wet weather, but the pipe condition needs to be evaluated before implementing the most reasonable solution. These pipes are some of the oldest in town. This project intertwines with the River Pump Station Project.

### Project Highlights

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Staff is currently working on the physical evaluation of the piping, manholes, and pump stations within the collections system. With limited resources, this unfortunately cannot be a comprehensive effort. The collection system model also shows capacity deficiencies based on dry weather flow. Further development, as planned for the town, will exacerbate any hydraulically limited sewer pipes and cause overflows that result in noncompliance. This request supports the growth the town has worked hard to attract and approve. The money budgeted is what was submitted for funding to the state revolving fund and is reflective of 2040 projected flows. The current construction climate may result in an increase in costs. Much of the pipe need to be upsized to handle the projected 2025 growth. This cannot be deferred much longer.

The town currently plans to pursue the State of North Carolina's revolving loan program to finance the \$5.05M construction portion of this project.

### Project Expenditures

30-80-8200 - Eno River Interceptors

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Eno River Interceptors	\$750,000	\$0	\$5,050,000	\$0	\$0	\$0	\$0
TOTAL	\$750,000	\$0	\$5,050,000	\$0	\$0	\$0	\$0

Object	2030-31	Total
Eno River Interceptors	\$0	\$5,800,000
TOTAL	\$0	\$5,800,000

### Project Revenues

30-80-8200 - Eno River Interceptors

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State Revolving Loan	\$0	\$0	\$5,050,000	\$0	\$0	\$0	\$0
Transfer From Fund 70 - Eno River Interceptors	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$750,000	\$0	\$5,050,000	\$0	\$0	\$0	\$0

Object	2030-31	Total
State Revolving Loan	\$0	\$5,050,000
Transfer From Fund 70 - Eno River Interceptors	\$0	\$750,000
TOTAL	\$0	\$5,800,000



# Elizabeth Brady Pump Station & Force Main Upgrade

Capital Improvement Project (FY25-FY31)

## Project Description

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Design, bid and construct a public sanitary sewer pumping station upgrade at the existing Elizabeth Brady Pumping Station site.

## Project Justification

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The station upgrades would enable new development in the Elizabeth Brady basin, as well as denser redevelopment of existing sites. The station was rebuilt in 2012 and sized for a quick upgrade of pump capacity, which is currently being implemented. Unfortunately, the level of development discharging to this station is much greater than this quick upgrade option can handle, extending the useful life only a few years at best.

A developer is proposing consolidation of two to three existing sanitary sewer pumping stations (Woods Edge Front, Woods Edge Back, and Nazarene) into a new, larger pumping station. The larger pumping station would be sized to handle the three existing station that would be abandoned, as well future buildout within the basin, including the new, proposed development. The new station would likely discharge into the existing Cates Creek interceptor that drains to the Elizabeth Brady station.

The new, larger pumping station's operating point is significant when compared to Elizabeth Brady's operating point, and even a phased approach to the buildout of the basin served by the new pumping station would require upgrades at Elizabeth Brady. The developer is working with town staff to provide funding, either with an advance of system development fees or a proffer of future funds, to enable this upgrade to serve the proposed development. The developer would also be required to build the new station and force main that enables the future abandonment of Wood Edge Front, Woods Edge Back, and Nazarene Pumping Stations to town standards with no cost participation by the town. The upgrade to the Elizabeth Brady station will require an upgrade of the existing force main to the wastewater treatment plant to ensure efficient pumping station operations.

## Project Highlights

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This project relates to the Cates Creek interceptor. If the decision is made to control the amount of development discharging to this station, then this project and the related Cates Creek outfall project scope can be minimized.

The town plans to pursue installment financing of \$3.75M in Fiscal Year 2028 for the construction portion of this project.

## Project Expenditures

30-80-8200 - Elizabeth Brady Pump Station & Force Main Upgra

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Elizabeth Brady PS Upgrade	\$300,000	\$0	\$0	\$400,000	\$3,750,000	\$0	\$0
TOTAL	\$300,000	\$0	\$0	\$400,000	\$3,750,000	\$0	\$0

Object	2030-31	Total
Elizabeth Brady PS Upgrade	\$0	\$4,450,000
TOTAL	\$0	\$4,450,000

## Project Revenues

30-80-8200 - Elizabeth Brady Pump Station & Force Main Upgra

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Installment Financing - Elizabeth Brady	\$0	\$0	\$0	\$0	\$3,750,000	\$0	\$0
Transfer From Fund 30 - Water & Sewer Fund	\$0	\$0	\$0	\$400,000	\$0	\$0	\$0
Transfer From Fund 70 - Elizabeth Brady Pump Station	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$300,000	\$0	\$0	\$400,000	\$3,750,000	\$0	\$0

Object	2030-31	Total
Installment Financing - Elizabeth Brady	\$0	\$3,750,000
Transfer From Fund 30 - Water & Sewer Fund	\$0	\$400,000
Transfer From Fund 70 - Elizabeth Brady Pump Station	\$0	\$300,000
TOTAL	\$0	\$4,450,000



# Hassell Water Tank Replacement

## Capital Improvement Project (FY25-FY31)

### Project Description

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■ Replace Hassell Street Water Tank with a new elevated water tank.

### Project Justification

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The existing Hassell Street Water Tank was constructed in the mid-1930s and it is the oldest tank in the town system. It holds 200,000 gallons and is constructed of riveted steel. It is the controlling tank in the Central Pressure Zone (CPZ), where water is initially pumped from the Water Treatment Plant and then distributed to CPZ customers, as well as to the North Tank in the North Pressure Zone (NPZ) through a pumping station beside the tank, and to the South Pressure Zone (SPZ) from the Mayo pumping station located offsite from the tank. The small volume of the tank makes it difficult to manage water distribution, with customers near the tank experiencing more pressure fluctuations due to the quickly varying water levels of this tank style.

Development within the Central Pressure Zone (CPZ) has created additional water volume needs, and an elevated tank will enable use of the entire tank volume. The existing tank is a standpipe, with only about 40 percent usable volume. as the tank cannot drop more than about 30 feet of its 72 feet height. The proposed tank will be the same height, but the design will allow use of the entire tank volume. This will also help with water quality turnover and may improve operations at the plant where staff are continually filling tanks.

The new tank size will be much larger than the 200,000 gallon existing tank, ideally increased to 500,000 gallons or more and may be located near or on the same site as the existing tank. It may be that the town purchases the land adjacent to the current tank to construct the new tank or it is possible the preliminary engineering recommends a different site, but that is determined by topographical elevation.

### Project Highlights

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The tank structure is sound, and inspections are performed annually, so this project is slated for later in the CIP. Costs are based on the Waterstone tank, inflation and the current construction climate, in addition to other bid tabs for similar tanks in other locations. This project is semi-related but not codependent to the US-70 Business Water Main Improvements project as water from Hassell tank must get to the US-70A tank.

The town received a grant in the amount of \$40,000 from the State of North Carolina's Asset Inventory and Assessment (AIA) program for preliminary engineering of this project. The remaining costs of this project will be funded by a combination of leftover funds from completed projects and transfers from the Water & Sewer Operating Fund.

## Project Expenditures

30-80-8140 - Hasell Water Tank Replacement

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Hasell Water Tank	\$40,000	\$75,000	\$0	\$0	\$300,000	\$3,255,000	\$0
TOTAL	\$40,000	\$75,000	\$0	\$0	\$300,000	\$3,255,000	\$0

Object	2030-31	Total
Hasell Water Tank	\$0	\$3,670,000
TOTAL	\$0	\$3,670,000

## Project Revenues

30-80-8140 - Hasell Water Tank Replacement

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Installment Financing - Hasell Water Tank	\$0	\$0	\$0	\$0	\$0	\$3,240,000	\$0
Transfer From WSF - Hasell Water Tank	\$0	\$75,000	\$0	\$0	\$300,000	\$15,000	\$0
Grant - AIA	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$40,000	\$75,000	\$0	\$0	\$300,000	\$3,255,000	\$0

Object	2030-31	Total
Installment Financing - Hasell Water Tank	\$0	\$3,240,000
Transfer From WSF - Hasell Water Tank	\$0	\$390,000
Grant - AIA	\$0	\$40,000
TOTAL	\$0	\$3,670,000





# US-70 Business Water Improvements

## Capital Improvement Project (FY25-FY31)

### Project Description

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■ Replace over 9,000 linear feet of asbestos cement water main along US-70 with 16" ductile iron water main.

### Project Justification

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The main transmission line along Highway 70-A is only 12 inches in diameter and is made out of asbestos-cement. This pipe is no longer manufactured, is a hazard to repair due to the asbestos and is more prone to breakage. Ductile iron pipe or plastic pressure pipe is the current standard for water mains. This will provide long-term stability for this section of the water system. The increase in pipe size was recommended through system modeling to handle more flow to the US-70 tank, prevent the US-70 tank from emptying too much when the Forest Ridge Booster Pump Station is operating and to better meet the town's needs when we need to transfer water from Durham in an emergency situation. Modeling has confirmed that upsizing from 12" to 16" between Churton Street and the US 70-A tank should help with pressure and ability to receive a target flow of 2 MGD from Durham. The report also recommended a new express main from Valley Forge to US 70-A tank, however that is not under consideration at this time.

Some sections of this pipeline are the only way to move water along 70-A east of Elizabeth Brady Road. The town has been lucky not to have had many major breaks thus far along this pipeline, due to its age (built in 1973) and the substandard material. If a main break occurs in the area between Hwy 86 and Forest Ridge on US 70-A, water cannot get to the US-70 tank, which is problematic. When the town has to make repairs, it typically has to cut the pipe with a saw, which releases asbestos fibers, thus requiring a respirator. If the town does not perform this work, it risks this line deteriorating further and draining the US-70 Tank. The town can currently receive 1.6 MGD from Durham.

### Project Highlights

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This project is related to the Hasell Street Tank Replacement project to help move water to other parts of the central zone, but the projects are not codependent.

Phase I: Replace approximately 4,900 linear feet of 12-inch Asbestos-Cement (AC) water main along Highway 70-A between Highway 86/Elizabeth Brady Road to the Highway 70-A Water Tank with a new 16" ductile iron water main. Phase II: Replace approximately 4,320 linear feet of 12" AC water main along Highway 70-A between Churton Street and Highway 86 with a new 16" ductile iron water main.

This main construction portion of this project will be funded with a combination of System Development Fees (SDFs), Capital Facility Fees and a debt issuance.

## Project Expenditures

30-80-8140 - US-70 Business Water Improvements

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
US-70 Water Improvements	\$305,000	\$0	\$0	\$0	\$50,000	\$2,970,000	\$0
TOTAL	\$305,000	\$0	\$0	\$0	\$50,000	\$2,970,000	\$0

Object	2030-31	Total
US-70 Water Improvements	\$0	\$3,325,000
TOTAL	\$0	\$3,325,000

## Project Revenues

30-80-8140 - US-70 Business Water Improvements

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From Fund 75 - US-70 Water Improvements	\$275,000	\$0	\$0	\$0	\$50,000	\$885,846	\$0
Transfer From Water Fund	\$0	\$0	\$0	\$0	\$0	\$807,679	\$0
Debt Issuance Proceeds	\$0	\$0	\$0	\$0	\$0	\$651,475	\$0
Transfer from Fund 70 - US70 Water Improvements	\$0	\$0	\$0	\$0	\$0	\$625,000	\$0
Grant - AIA	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$305,000	\$0	\$0	\$0	\$50,000	\$2,970,000	\$0

Object	2030-31	Total
Transfer From Fund 75 - US-70 Water Improvements	\$0	\$1,210,846
Transfer From Water Fund	\$0	\$807,679
Debt Issuance Proceeds	\$0	\$651,475
Transfer from Fund 70 - US70 Water Improvements	\$0	\$625,000
Grant - AIA	\$0	\$30,000
TOTAL	\$0	\$3,325,000





# Water Distribution System Master Plan Improvements

Capital Improvement Project (FY25-FY31)

## Project Description

Implement the recommendations of the Water Distribution Master Plan.

## Project Justification

The Town is preparing a Water Distribution System Master Plan using a hydraulic model of the water distribution system. This master plan will provide recommendations on where improvements are needed to provide adequate fire flow to current and future customers, as well as improve drinking water quality and redundancy throughout the distribution system. The Master Plan recommendations may include waterline extensions, replacements, and installation of new appurtenances. This request is a place holder until specific projects are identified.

## Project Highlights

Town staff recommends implementing the recommendations of the Water Distribution Master Plan once complete.

These projects will be facilitated by a cash transfer from the Water & Sewer Operating Fund.

## Project Expenditures

30-80-8140 - Water Distribution Sys Master Plan Improvements

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Miscellaneous	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$500,000
TOTAL	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$500,000

Object	2030-31	Total
Miscellaneous	\$500,000	\$2,200,000
TOTAL	\$500,000	\$2,200,000

## Project Revenues

30-80-8140 - Water Distribution Sys Master Plan Improvements

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From Fund 30 - Water & Sewer Fund	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$500,000
TOTAL	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	\$500,000

Object	2030-31	Total
Transfer From Fund 30 - Water & Sewer Fund	\$500,000	\$2,200,000
TOTAL	\$500,000	\$2,200,000



# Eno River West Interceptor

Capital Improvement Project (FY25-FY31)

## Project Description

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■ Replace approximately 2,900 linear feet of 18" sewers with 24" sewers and 12 manholes.

## Project Justification

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This sewer interceptor is one of the oldest in town, built in the 1970s. The modeling report recommendation has shown that the sewer experiences wet weather capacity issues (leaks) and is undersized for potential 2040 growth. It will need to be upsized to meet future demands and due to general condition deterioration. The general vicinity of the work is west of Churton Street to Occoneechee Street on the south side of the river.

## Project Highlights

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With the high-density redevelopment and new development expected in the downtown and west Hillsborough area west of Churton Street, it is recommended to upsize this interceptor.

This project is planned for financing from the State of North Carolina's revolving loan program to pay for the \$1.8M construction costs in Fiscal Year 2030.

## Project Expenditures

30-80-8200 - Eno River West Interceptor Upgrade

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Infrastructure	\$0	\$0	\$0	\$0	\$0	\$350,000	\$1,790,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$350,000	\$1,790,000

Object	2030-31	Total
Capital - Infrastructure	\$0	\$2,140,000
TOTAL	\$0	\$2,140,000

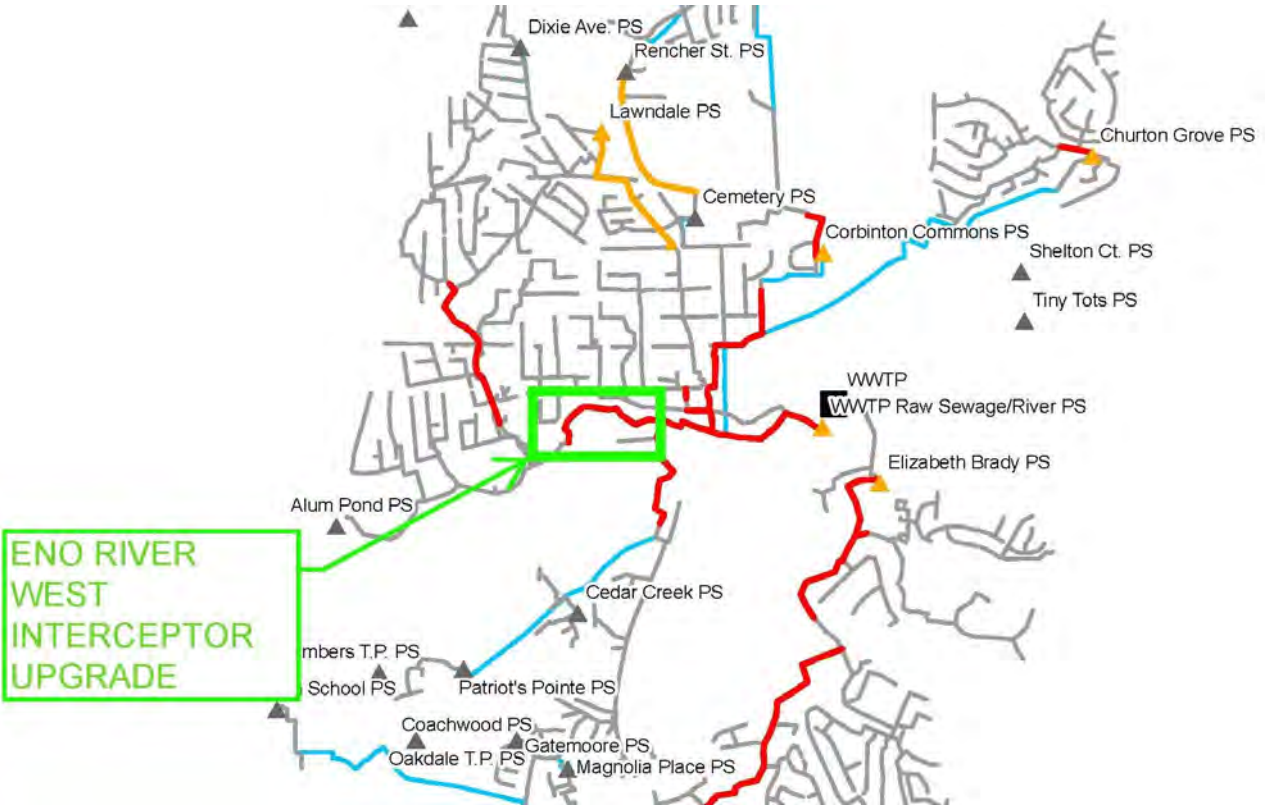
## Project Revenues

30-80-8200 - Eno River West Interceptor Upgrade

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State Revolving Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$1,790,000
Transfer From Fund 30 - Water & Sewer Fund	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0
TOTAL	\$0	\$0	\$0	\$0	\$0	\$350,000	\$1,790,000

Object	2030-31	Total
State Revolving Loan	\$0	\$1,790,000
Transfer From Fund 30 - Water & Sewer Fund	\$0	\$350,000
TOTAL	\$0	\$2,140,000

## Additional Information





# Lawndale Basin Rehabilitation

## Capital Improvement Project (FY25-FY31)

### Project Description

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The Lawndale Sewer Rehabilitation project will rehabilitate or replace all but two segments of gravity sewers, 26 manholes and public side laterals in the Lawndale sewer basin with no expansion. The Lawndale sewer basin consists of approximately 6,600 LF of 8" truss pipe sewer main, 28 manholes, and one duplex submersible pumping station. The project will benefit 100% of a disadvantaged community and the town by improving an aged sewer system that is the leakiest basin in the entire town's system as confirmed through flow monitoring, hydraulic modeling as part of a holistic collection system modeling master planning project, and visual observation through a Sanitary Sewer Evaluation Survey (SSES). To evaluate the effectiveness of the project, post project flow monitoring is included in the project cost.

### Project Justification

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Once the master planning modeling project identified the worst sewer basins, with Lawndale being at the top of the list with a 10.6 peaking factor, the town performed a SSES on the basin. The primary pipe material is plastic truss pipe with only two segments of PVC, presumably from pipe replacement after initial installation. Truss pipe consists of an outer wall connected to an inner wall using a truss system as a stiffening mechanism. The space between the walls and trusses is filled with a lightweight cementitious material. Defects discovered include broken pipe, fractures, sags, infiltration staining and pipe buckling. The report also identified defects in cleanouts and manholes. The town has already addressed with its own forces some public side cleanout defects. It also hired TPT Coatings to perform manhole lining on 11 identified manholes before it became aware of this funding opportunity.

The scope of this project is to perform cured in place pipelining (CIPP) on most sewer mains with replacement in kind of 11 sewer segments due to sags and severe defects that will not allow lining, to establish cleanouts at the right of way where not present and rehabilitate the public owned portion of the lateral from the sewer main to the cleanout. Some sewer segments will require point repairs to allow the CIPP lining to occur. Two alternatives were evaluated, do-nothing and rehabilitate using trenchless technology (CIPP)/replace in kind where CIPP cannot occur. The do-nothing alternative was rejected as the evaluation shows deteriorated piping that will only continue to fail and overwhelm the sewers and treatment plant with inflow and infiltration which will lead to backups and overflows. The rehabilitation alternative was selected due to it being mainly a trenchless alternative with least disruption to the residents and least cost to deploy to avoid pavement restoration except where replacement in kind is necessary. Additionally, with material delays and rising material costs, using trenchless technology is also currently the most economical and efficient to accomplish the task of removing inflow and infiltration.

There are no permanent environmental impacts resulting from this project. Over 4,000 linear feet of mainline sewers will be using trenchless technology. The replacement of the mainlines, over 1,000 linear feet, is within road right of ways except for approximately 996 linear feet that is within existing easement area. The project will practice erosion and sedimentation control and disturbances are not contiguous and less than one acre. The USGS topographic map shows no intermittent or perennial streams in the project area.

## Project Highlights

The project will be funded through the CWSRF program with 50% principal forgiveness or \$500,000. The loan amount is \$1,116,000 over 20 years at 0.76%. With \$500,000 principal forgiveness, this is a negligible impact to customer rates. The town may elect to use reserves to pay this off sooner than later. The capital cost of the project however has increased since the estimate provided in the SSES report. The total cost is now expected to exceed (with contingency), 2 million dollars. The estimated current total capital cost is \$2.1M.

## Project Expenditures

30-80-8200 - Lawndale Basin Rehabilitation

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Lawndale Basin Rehabilitation	\$935,000	\$1,165,000	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$935,000</b>	<b>\$1,165,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Object	2030-31	Total
Lawndale Basin Rehabilitation	\$0	\$2,100,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$2,100,000</b>

## Project Revenues

30-80-8200 - Lawndale Basin Rehabilitation

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
State Revolving Loan	\$0	\$1,116,760	\$0	\$0	\$0	\$0	\$0
Transfer from WSF - Lawndale Basin Rehabilitation	\$935,000	\$48,240	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$935,000</b>	<b>\$1,165,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Object	2030-31	Total
State Revolving Loan	\$0	\$1,116,760
Transfer from WSF - Lawndale Basin Rehabilitation	\$0	\$983,240
<b>TOTAL</b>	<b>\$0</b>	<b>\$2,100,000</b>



Figure 4: Smoke Escaping from Missing Cleanout Cap



Figure 9: Dirt Intrusion at Frame to Chimney Interface



# Wastewater Rehab Projects

## Capital Improvement Project (FY25-FY31)

### Project Description

Placeholder for following projects:

- Cemetery Force Main Replacement.
- Replace 4 and 6" mains with property size at Mollies Court, Waddell Court, W Corbin Street, Lawndale Avenue, Sherwood Avenue.
- Repair funky configuration between buildings off Elizabeth Brady Road.
- Dixie Basin sewer and manhole lining.

### Project Justification

### Project Highlights

This project is planned for a combination of funding from Capital Facility Fees, cash transfers from the Water & Sewer Operating Fund and Perpetual Maintenance Fees.

### Project Expenditures

30-80-8200 - Wastewater Rehab Projects

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Infrastructure	\$0	\$500,000	\$0	\$500,000	\$0	\$0	\$0
TOTAL	\$0	\$500,000	\$0	\$500,000	\$0	\$0	\$0

Object	2030-31	Total
Capital - Infrastructure	\$500,000	\$1,500,000
TOTAL	\$500,000	\$1,500,000

### Project Revenues

30-80-8200 - Wastewater Rehab Projects

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From Water Fund	\$0	\$216,505	\$0	\$85,150	\$0	\$0	\$0
Miscellaneous	\$0	\$217,303	\$0	\$414,850	\$0	\$0	\$0
Transfer From WSF - Perpetual Maintenance Fee	\$0	\$66,192	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$500,000	\$0	\$500,000	\$0	\$0	\$0

Object	2030-31	Total
Transfer From Water Fund	\$500,000	\$801,655
Miscellaneous	\$0	\$632,153
Transfer From WSF - Perpetual Maintenance Fee	\$0	\$66,192
TOTAL	\$500,000	\$1,500,000



# Exchange Club Interceptors

## Capital Improvement Project (FY25-FY31)

### Project Description

---

Replace 2,250 linear feet of gravity sewer with 15-inch (2040 committed) or 18-inch diameter (2040 committed + potential flows).

### Project Justification

---

This gravity sewer was installed in the early 1970s. Recent hydraulic modeling of the collection system revealed a capacity deficiency for existing and proposed growth conditions. There is also some configuration of the mains that may contribute to hydraulic flow restrictions (i.e., there are zig zags that do not provide smooth transitions and allow buildup of corrosive gases). The current brick manholes along this segment are in disrepair. The town has paid to rehabilitate the manholes to keep them from crumbling, leaking or allowing infiltration. This segment of sewers goes through Exchange Club Park and is generally between Orange Grove Road and the Riverwalk. Children play around the manholes. The town has budgeted to repair/replace this infrastructure in the past but not to the extent now known.

### Project Highlights

---

Upsize this infrastructure with possible realignments to address current and future growth, and to improve its condition.

The construction portion of this project is scheduled for Fiscal Year 2026 and is anticipated to be paid for with a combination of System Development Fees (SDFs) and cash transfers from the Water & Sewer Operating Fund.

## Project Expenditures

30-80-8200 - Exchange Club Interceptors

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Exchange Club Interceptors	\$190,000	\$20,000	\$1,270,000	\$0	\$0	\$0	\$0
TOTAL	\$190,000	\$20,000	\$1,270,000	\$0	\$0	\$0	\$0

Object	2030-31	Total
Exchange Club Interceptors	\$0	\$1,480,000
TOTAL	\$0	\$1,480,000

## Project Revenues

30-80-8200 - Exchange Club Interceptors

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 76 - Exchange Club Interceptors	\$0	\$20,000	\$1,112,433	\$0	\$0	\$0	\$0
Transfer From WSF - Exchange Club Interceptors	\$190,000	\$0	\$157,567	\$0	\$0	\$0	\$0
TOTAL	\$190,000	\$20,000	\$1,270,000	\$0	\$0	\$0	\$0

Object	2030-31	Total
Transfer from Fund 76 - Exchange Club Interceptors	\$0	\$1,132,433
Transfer From WSF - Exchange Club Interceptors	\$0	\$347,567
TOTAL	\$0	\$1,480,000





# Hydrant & Valve Project

## Capital Improvement Project (FY25-FY31)

### Project Description

---

Replace old, obsolete fire hydrants and install valves on the hydrant legs where needed. Install new valves and piping where redundancy study recommends.

### Project Justification

---

There are currently a large number of fire hydrants in the central pressure zone that were installed without a watch valve on the hydrant leg (valve on the pipe connecting the water main and the hydrant assembly). These cannot be turned off without turning off the water. Some of these hydrants date back to the 1930s and need to be replaced since parts are hard to find and they are sometimes difficult or impossible to disassemble. There are approximately 150 hydrants without watch valves. Additionally, in FY21, a consultant studied how many customers would be out of water if a pipe broke in various locations. The affected customers were prioritized based on the estimated demand of the outage area. This budget would include adding valves where needed to minimize impacts in four groups over the next several years.

If the town does not perform this work, it risks having these hydrants not work properly in the event of a fire, which could be catastrophic. Customers would also experience service disruptions or other impacts when ad-hoc repairs or replacements are needed. Additionally, there is an opportunity to reduce the risk of customers being out of service under certain main break scenarios by providing additional valves and piping in the system.

### Project Highlights

---

This project has been funded with ARPA-enabled funds up to this point. Future allocations will come from Water & Sewer Operating Fund transfers in future years. This project is underway and is expected to take several years. Future allocations will ensure the project is completed in its entirety.

# Project Expenditures

30-80-8140 - Hydrant & Valve Project

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Hydrant & Valve Project	\$487,647	\$0	\$0	\$0	\$270,000	\$275,000	\$0
TOTAL	\$487,647	\$0	\$0	\$0	\$270,000	\$275,000	\$0

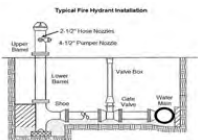
Object	2030-31	Total
Hydrant & Valve Project	\$0	\$1,032,647
TOTAL	\$0	\$1,032,647

# Project Revenues

30-80-8140 - Hydrant & Valve Project

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from WSF - Hydrant & Valve	\$487,647	\$0	\$0	\$0	\$270,000	\$275,000	\$0
TOTAL	\$487,647	\$0	\$0	\$0	\$270,000	\$275,000	\$0

Object	2030-31	Total
Transfer from WSF - Hydrant & Valve	\$0	\$1,032,647
TOTAL	\$0	\$1,032,647





# Galvanized Water Main Replacement

## Capital Improvement Project (FY25-FY31)

### Project Description

Replace galvanized water mains, upsize to 6" and provide fire protection.

### Project Justification

A revised lead and copper rule was recently passed by the Environmental Protection Agency. It requires utilities to identify lead service lines, perform additional sampling of schools and licensed daycares and replace lead pipes downstream of an area that tested high for lead, including galvanized pipes. In general, galvanized pipes are not used in today's water main construction. These pipes are typically very old and corrode. Additionally, they are small diameter mains, which do not provide fire flow for customers. A minimum pipe size for fire hydrants is 6 inches. There is time to identify such services and mains, but the town should begin planning for replacements. There is approximately 1.45 miles of identified galvanized mains in the GIS system. This could be reduced with physical verification.

### Project Highlights

If the project is not performed, the town could be fined, have main breaks or high lead sample results, which would require replacement of lead service lines and mains anyway.

This project will be cash-financed with transfers from the Water & Sewer Operating Fund.

### Project Expenditures

30-80-8140 - Galvanized Water Main Replacements

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Galvanized Water Main Replacement	\$160,000	\$0	\$0	\$0	\$0	\$0	\$200,000
TOTAL	\$160,000	\$0	\$0	\$0	\$0	\$0	\$200,000

Object	2030-31	Total
Galvanized Water Main Replacement	\$200,000	\$560,000
TOTAL	\$200,000	\$560,000

### Project Revenues

30-80-8140 - Galvanized Water Main Replacements

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from WSF - Galvanized Water Main Replacement	\$160,000	\$0	\$0	\$0	\$0	\$0	\$200,000
TOTAL	\$160,000	\$0	\$0	\$0	\$0	\$0	\$200,000

Object	2030-31	Total
Transfer from WSF - Galvanized Water Main Replacement	\$200,000	\$560,000
TOTAL	\$200,000	\$560,000



# Standby Power Generator Replacement

## Capital Improvement Project (FY25-FY31)

### Project Description

---

■ Replace the water treatment plant's existing twenty-year-old 600kW standby power generator.

### Project Justification

---

The existing standby power generator at the water treatment plant was installed in 2004. The twenty-year-old generator has begun to show signs of aging. In FY22 the top end of the motor had to be rebuilt at approximately \$57,000. In FY24, the control panel failed, and replacement of that controller was \$31,000.

Staff is very concerned that the old generator's critical components are getting harder to find as they become obsolete. Staff would like to replace the old generator with a new one to avoid costly repairs and ensure reliability of this critical equipment.

### Project Highlights

---

The current lead time for a new 600 kW generator is about 65 weeks. If the project is approved and funded in FY26, the generator would be installed in FY27.

Replacement Estimate:

- New generator: \$260,000
- Installation: \$70,000
- Mobile generator rental: \$20,000

This project will be cash-funded within the Water & Sewer Operating Fund and partially facilitated by the use of leftover revenue bond proceeds from the WFER project.

## Project Expenditures

30-80-8120 - Standby Generator Replacement

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Equipment	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0

Object	2030-31	Total
Capital - Equipment	\$0	\$350,000
TOTAL	\$0	\$350,000

## Project Revenues

30-80-8120 - Standby Generator Replacement

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From Fund 69 - Utilities Capital Improvement Fund	\$0	\$0	\$288,465	\$0	\$0	\$0	\$0
Transfer from Fund 66 - WFER	\$0	\$0	\$61,535	\$0	\$0	\$0	\$0
TOTAL	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0

Object	2030-31	Total
Transfer From Fund 69 - Utilities Capital Improvement Fund	\$0	\$288,465
Transfer from Fund 66 - WFER	\$0	\$61,535
TOTAL	\$0	\$350,000



# Tertiary Filter Flocculators

Capital Improvement Project (FY25-FY31)

## Project Description

---

Install new flocculators ahead of tertiary filtration to maximize the total phosphorous removal needed to meet the Falls Lake Rules and reduce chemical usage.

## Project Justification

---

The 2014 Phase 1 Plant Expansion included new tertiary filtration. The structure was designed to have flocculators installed, but the installation was removed from the project to reduce costs. The pedestals and electrical conduit were however installed to provide for future needs.

Currently, a chemical called Polyaluminum Chloride (PAC) is used to precipitate Phosphorous out of a dissolved state to a solid form that can be removed by filtration. Currently, PAC is fed to the clarifier, which provides the mixing necessary to activate the chemical. This method currently works well but will be insufficient in the future to meet the removal efficiency needed to meet the Falls Lake Rules.

Feeding PAC directly to the filters is also much more efficient. Laboratory testing has shown that with the addition of flocculators, the town should be able to reduce its chemical feed by 28% or more. This equates to chemical savings of approximately \$4,500 per year.

## Project Highlights

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This project can be delayed until the current Phosphorous removal efficiency is inadequate to meet permit requirements, which is estimated to be in FY29. However, the town will not realize the cost savings of reduced chemical usage or the reduction in its carbon footprint. The PAC is manufactured and then delivered from out-of-state locations. Flocculation will not only reduce the carbon emissions from the chemical manufacturing process but also the semi-truck deliveries from hundreds of miles away.

This construction portion of this project will be funded by a cash transfer of \$180,000 from the Water & Sewer Operating Fund in Fiscal Year 2030.

## Project Expenditures

30-80-8220 - Tertiary Filter Flocculators

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Tertiary Filter Flocculators	\$0	\$0	\$0	\$0	\$0	\$10,000	\$180,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$10,000	\$180,000

Object	2030-31	Total
Tertiary Filter Flocculators	\$0	\$190,000
TOTAL	\$0	\$190,000

## Project Revenues

30-80-8220 - Tertiary Filter Flocculators

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From WSF - Tertiary Filter Flocculators	\$0	\$0	\$0	\$0	\$0	\$10,000	\$180,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$10,000	\$180,000

Object	2030-31	Total
Transfer From WSF - Tertiary Filter Flocculators	\$0	\$190,000
TOTAL	\$0	\$190,000



# Bellevue Mill Interceptor Upgrade

Capital Improvement Project (FY25-FY31)

## Project Description

---

Replace 2,700 linear feet of 8" sewers with 12" sewers and 15 manholes, from near the end of Forrest St southward to Eno St.

## Project Justification

---

This Bellevue Mill interceptor was in existence prior to the town having a wastewater treatment plant, and presumably as early as the 1920s per mill maps. Unfortunately, portions of the sewer traverse through an identified brownfield so additional costs will be incurred for extra permitting and to identify and properly dispose of contaminated soils. Hydraulic modeling has shown this interceptor is undersized for 2040 growth scenarios. Regardless, it is well beyond its useful life and likely contributing to inflow and infiltration in the basin.

This interceptor is also paralleled by a 12" sewer and there are some interesting cross configurations between the two that need to be studied. It is believed the parallel 12" interceptor was constructed to take flow from the Efland force main, which has since been abandoned. If there is little flow in this line, it may be possible to reconfigure it for this purpose rather than replacing the existing 8" line. Additional work is needed to determine if this is a viable option, and the scope of the project can be reduced.

## Project Highlights

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If high density redevelopment and development in the western part of Hillsborough is desired, this main will definitely need to be upgraded. At a minimum, it is recommended to evaluate further to see if the parallel 12" line could be used for a portion of this project.

- \$1.2M - Construction (FY32)
- \$120k - Construction Administration (FY32)

This project will be paid for with cash transfers from the Water & Sewer Operating Fund.



## Project Expenditures

30-80-8200 - Bellevue Mill Interceptor Upgrade

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000

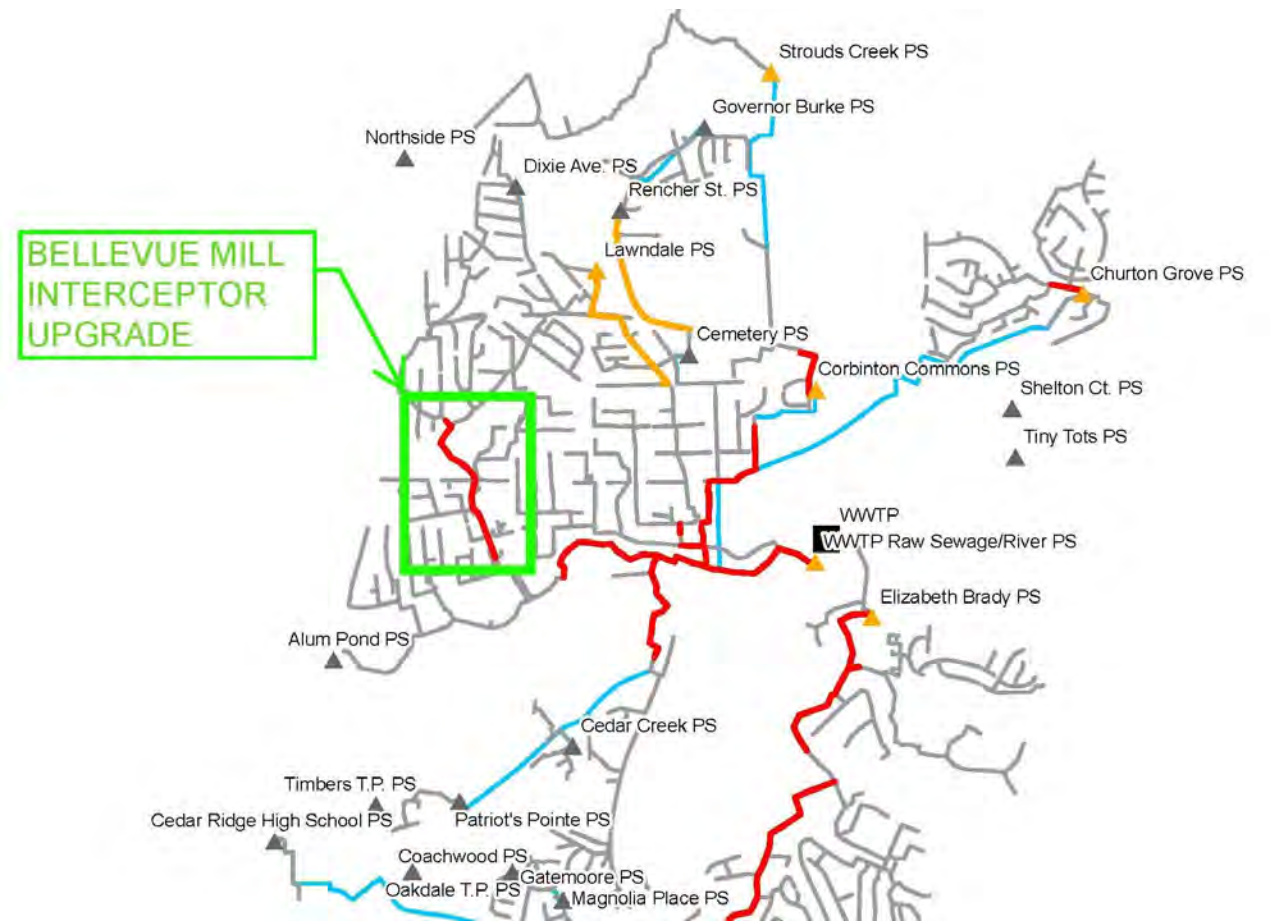
Object	2030-31	Total
Capital - Infrastructure	\$40,000	\$180,000
TOTAL	\$40,000	\$180,000

## Project Revenues

30-80-8200 - Bellevue Mill Interceptor Upgrade

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer From Fund 30 - Water & Sewer Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000

Object	2030-31	Total
Transfer From Fund 30 - Water & Sewer Fund	\$40,000	\$180,000
TOTAL	\$40,000	\$180,000





# Water Treatment Plant Console Replacement

Capital Improvement Project (FY25-FY31)

## Project Description

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■ Replace antiquated and failing console with a new console with modern electronics.

## Project Justification

---

The existing control console was installed in the early 1970s when the plant was originally built. The console's capabilities are very limited due to the antiquated technology. Additionally, there have been several modifications and repairs to the panel over the years which resulted in a mess of wires that are nearly impossible to trace. The unlabeled wires and components within the panel make repairs extremely difficult. Additionally, the chart recorders are outdated and unused along with buttons and displays.

A new console with modern electronics will provide for current and future needs, including process monitoring, pump controls, alarms, automation and data acquisition through integration with the existing SCADA computer. Eventually, all existing pumps, instrumentation, and process monitors not currently electronically monitored, will be added into the new console. This will add reliability, security, and water quality assurance. As with most electronics, today's technologies provide significant improvements with a much smaller footprint. Additionally, the ability to store data and display graphs on the SCADA computer will be a great help for the operators, and the report generation will be extremely helpful for management.

## Project Highlights

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New PLC based control console will provide:

- Increased reliability
- Smaller footprint
- Expansion for future needs
- More powerful and robust pump controls
- Data acquisition for reporting
- Graphing of plant processes
- Automated chemical feed control
- Equipment failure alarms
- Process instrumentation parameter alarms

This project will be financed with operating revenue within the Water & Sewer Operating Fund, facilitated by leftover revenue bond proceeds to offset debt payments for the WFER project.

## Project Expenditures

30-80-8120 - Water Treatment Plant Main Console Replaceme...

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Equipment	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0

Object	2030-31	Total
Capital - Equipment	\$0	\$100,000
TOTAL	\$0	\$100,000

## Project Revenues

30-80-8120 - Water Treatment Plant Main Console Replaceme...

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Transfer from Fund 66 - WFER	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0
TOTAL	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0

Object	2030-31	Total
Transfer from Fund 66 - WFER	\$0	\$100,000
TOTAL	\$0	\$100,000



# Stormwater Fund

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# Stormwater Fund

## FY2025 Operating & Capital Budget

### Revenues

#### 35 - SW Revenues by Type

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Licenses/Permits/Fees	\$729,456	\$719,000	\$835,100	\$970,100	\$1,110,100
Fund Balance Appropriated	\$0	\$177,607	\$268,470	\$246,856	\$134,107
Interest	\$28,619	\$45,000	\$25,000	\$10,000	\$10,000
TOTAL	\$758,075	\$941,607	\$1,128,570	\$1,226,956	\$1,254,207

### Expenditures

#### 35 - SW Expenditures by Function

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Stormwater	\$692,719	\$941,607	\$1,128,570	\$1,226,956	\$1,254,207
Non-Departmental	\$29,557	\$0	\$0	\$0	\$0
TOTAL	\$722,277	\$941,607	\$1,128,570	\$1,226,956	\$1,254,207

### Financial Summary

#### 35 - SW Revenues vs. Expenditures Financial Summary

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
Revenues	\$758,075	\$941,607	\$1,128,570	\$1,226,956	\$1,254,207
Expenses	\$722,277	\$941,607	\$1,128,570	\$1,226,956	\$1,254,207
REVENUES LESS EXPENSES	\$35,798	\$0	\$0	\$0	\$0

### Fund Balance

	FY23 Actual	FY24 Estimate	FY25 Budget	FY26 Projection	FY27 Projection
Fund Balance Appropriation		\$177,607	\$268,470	\$246,856	\$134,107
Balance	\$1,103,587	\$925,980	\$657,510	\$410,654	\$276,547
FUND BALANCE %	152.8%	98.3%	58.3%	33.5%	22.0%



# Funded Requests

## FY2025 Operating & Capital Budget

### Stormwater Fund

Stormwater Fund			Requested			Budget Recommendation		
Department	Request	Description	FY25	FY26	FY27	FY25	FY26	FY27
Stormwater	Equipment Operator	Stormwater work is more time intensive than Street repairs. Adding an equipment operator will help with increasing amount of Stormwater work. It will also help address staff shortages created by leave and training. During these times crews are pulled off of stormwater work to ensure solid waste routes are covered.	-	79,275	80,039	-	79,275	80,039
Stormwater	Compensation & Classification Study Implementation	Implement tri-annual comp and class study. Study conducted in FY25, implemented in FY26.	-	7,500	7,500	-	7,500	7,500
Stormwater	Elizabeth Brady Culvert Rehabilitation		-	-	275,000	75,000	100,000	100,000
Stormwater	Stormwater Capital Projects	Budget funds each year to build a reserve to address larger stormwater capital needs.	25,000	25,000	25,000	25,000	25,000	25,000
			25,000	111,775	387,539	100,000	211,775	212,539



# Equipment Operator

Personnel Expansion Form (FY25-FY27)

## Describe Request

With the addition of an equipment operator to Public Works in Fiscal Year 2026, they will be able to split into two three-person crews for Stormwater work. Stormwater work is increasingly comprising the majority of Public Works time. Maintaining the two crews will be difficult, as it is already difficult to maintain adequate coverage for solid waste collection due to staff shortages created by leave or training. In addition, the creation of the Stormwater Technician position and proactive assessment of the stormwater system will lead to additional workload.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact If Not Funded

## Additional Information

## Personnel Expansion Expenditures

35-30-5900 - Equipment Operator

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Personnel	\$0	\$0	\$77,770	\$78,534	\$156,304
Operating	\$0	\$0	\$6,015	\$777	\$6,792
TOTAL	\$0	\$0	\$83,785	\$79,311	\$163,096



# Compensation & Class Study Implementation

Budget Justification Form (FY25-FY27)

Priority Rank

None

Frequency

Recurring

Justification Type

"Taking Care of What We've Got"

## Describe Request

Implement tri-annual compensation and classification study.

## Link to Strategic Plan or Departmental Priorities

## Alternatives & Operational Impact if Not Funded

## Additional Information

## Budget Justification Expenditures

35-30-5900 - Compensation & Class Study Implementation

Object Type	2023-24	2024-25	2025-26	2026-27	Total
Operating	\$0	\$0	\$7,500	\$7,500	\$15,000
TOTAL	\$0	\$0	\$7,500	\$7,500	\$15,000





# Stormwater Capital Projects

Budget Justification Form (FY25-FY27)

Priority Rank

1

Frequency

Recurring

Justification Type

Current Service Expansion or Investment

## Describe Request

Budget funds each year to build a reserve to address larger stormwater capital needs. Projects may include stormwater infrastructure maintenance identified through inspection of existing infrastructure or projects identified for Falls Lake Rule compliance.

## Link to Strategic Plan or Departmental Priorities

Budget funds each year to build a reserve to address larger stormwater capital needs.

## Alternatives & Operational Impact if Not Funded

The Stormwater and Environmental Services and Public Works Divisions are moving towards creating a stormwater capital improvement plan. If money is not set aside for capital stormwater projects each year, there would be no way to develop the capital improvement plan, let alone implement capital projects.

## Additional Information

## Budget Justification Expenditures

35-30-5900 - Stormwater Capital Projects

Object	2023-24	2024-25	2025-26	2026-27	Total
Transfer To Stormwater CPF	\$0	\$25,000	\$25,000	\$25,000	\$75,000
TOTAL	\$0	\$25,000	\$25,000	\$25,000	\$75,000



# Unfunded Requests

FY2025 Operating & Capital Budget

## Stormwater Fund

Stormwater Fund			Unfunded		
Department	Request	Description	FY25	FY26	FY27
Stormwater	JetVac Truck		-	-	608,020
			-	-	608,020



### Key Operations

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The Stormwater and Environmental Services Division implements the Phase II Stormwater Permit requirements of the National Pollutant Discharge Elimination System (NPDES) to reduce the amount of pollutants entering local streams and lakes and ensures that new development meets or exceeds development standards to reduce potential adverse impacts to property owners from stormwater runoff. This division is entirely self-funded by the town's stormwater fee and other proprietary revenue unique to stormwater management functions.

### FY24 Major Accomplishments

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- Stormwater Program Audit – the town's first ever stormwater program audit was conducted by North Carolina Department of Environmental Quality (NCDEQ) staff in August. Overall, the audit went well and only identified minor improvements to the town's stormwater program. The improvements were incorporated into a new draft stormwater management plan that was submitted to the state in February as part of the town's stormwater permit renewal process. The update to the stormwater management plan was completed in-house saving approximately \$25,000 in consultant fees. Approval of the town's new stormwater management plan and issuance of the new permit is expected by July 1, 2024.
- Odie Street Green Infrastructure Project – the bioswales along Odie Street were completed and began operation. The project included both stormwater green infrastructure like the bioswales, along with native plant gardens, rain barrels and integrated public education and community engagement component. The project was recognized as the "Stormwater Green Infrastructure Project of the Year" by the Stormwater Management Division of the American Public Works Association, North Carolina Chapter. The project has also received additional grant funding to stabilize an intermittent stream that runs under Odie Street.

### FY25 Major Budget Changes

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- Stormwater and Environmental Services staff are proposing a stormwater management utility fee increase for FY25.
- Begin setting aside funds for Elizabeth Brady Road Culvert Rehabilitation project. The Fiscal Year 2025 allocation is a \$75,000 transfer into the Stormwater Capital Projects Fund.
- Begin setting aside funds for miscellaneous future capital projects. The Fiscal Year 2025 allocation is a \$25,000 transfer into the Stormwater Capital Projects Fund.

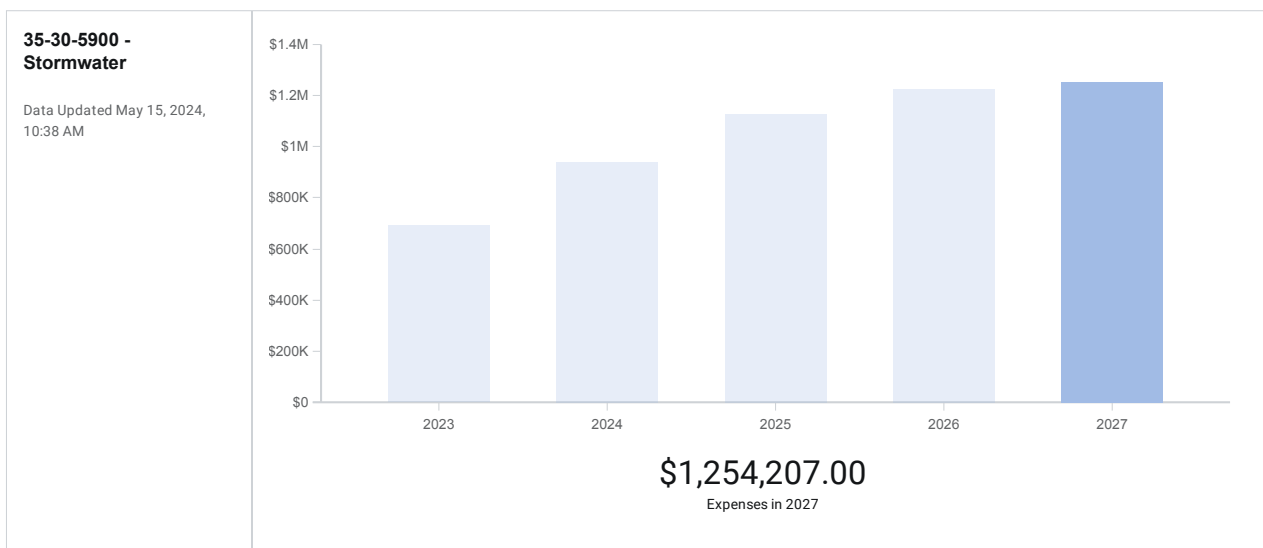
### Financial Forecast

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- Continue setting aside funds for Elizabeth Brady Road Culvert Rehabilitation project. \$100,000 will be transferred into the Stormwater Capital Projects Fund in each Fiscal Year 2026 and 2027.
- Continue setting aside funds for miscellaneous future capital projects. \$25,000 will be transferred into the Stormwater Capital Projects Fund in each Fiscal Year 2026 and 2027.

- This budget proposes adding one (1) FTE Equipment Operator position to the Public Works Division funded within the Stormwater Fund beginning in Fiscal Year 2026.
- Fiscal Years 2026 and 2027 include allocations to implement the forthcoming compensation and class study for employees. This allocation is \$7,500.
- Depending on the stormwater fee approved for Fiscal Year 2025, additional increases may be necessary in years 2&3.

## Expenditures by Category



## Department Expenditure Summary

35-30-5900 - Stormwater

	2022-23 Actual	2023-24 Estimate	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget
<b>Personnel</b>	\$340,242	\$394,844	\$463,610	\$545,068	\$549,892
<b>Operating</b>	\$136,857	\$295,826	\$347,178	\$376,978	\$394,615
<b>Cost Allocations</b>	\$155,636	\$174,437	\$217,782	\$179,910	\$184,700
<b>Interfund Transfers</b>	\$0	\$0	\$100,000	\$125,000	\$125,000
<b>Capital</b>	\$59,985	\$76,500	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$692,719</b>	<b>\$941,607</b>	<b>\$1,128,570</b>	<b>\$1,226,956</b>	<b>\$1,254,207</b>

# Stormwater Capital Improvement Plan

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# Stormwater Capital Improvement Plan Summary

## Capital Improvement Plan (FY25-FY31)

### Stormwater Capital Improvements Expenditures by Project

#### SW CIP Expenditures by Project

Worksheet Name	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Elizabeth Brady Rd Culvert Rehabilitation	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0

Worksheet Name	2030-31	Total
Elizabeth Brady Rd Culvert Rehabilitation	\$0	\$275,000
TOTAL	\$0	\$275,000

### Stormwater Capital Improvements Revenues by Type

#### SW CIP Revenues by Type

Object Type	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Other	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0

Object Type	2030-31	Total
Other	\$0	\$275,000
TOTAL	\$0	\$275,000

### Stormwater Capital Improvements Financial Summary

#### SW CIP Financial Summary

Expenses	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Revenues	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
Expenses	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$550,000	\$0	\$0	\$0

Expenses	2030-31	Total
Revenues	\$0	\$275,000
Expenses	\$0	\$275,000
TOTAL	\$0	\$550,000



# Elizabeth Brady Road Culvert Rehabilitation

Capital Improvement Project (FY25-FY31)

## Project Description

Rehabilitate the existing culverts under Elizabeth Brady Road at Cates Creek using spincasting.

## Project Justification

The existing culverts are corrugated metal. Corrugated metal pipes have a functional age and the culverts are starting to deteriorate. Public Works staff has completed some maintenance work on the pipes to ensure they are clear and the downstream side (outlet side) is stabilized. This work has prolonged the life of the existing culverts, but within the next few years, the culvert pipes will need to be repaired. Rehabilitation through spincasting will reduce the risk of a failure similar to what occurred on Valley Forge Road and Cates Creek. The impact of a failure would be greater in that Elizabeth Brady Road serves more property owners, including the only ingress/egress to the town's wastewater plant.

Spincasting is a technique where the inside of existing pipes are sprayed with concrete. This process fixes damaged/aging pipes without having to replace them. This is a cost effective solution and has been utilized with smaller stormwater pipes in town. Based on the current status of the pipes, and work already completed by Public Works, the project is currently proposed for FY27. Public Works will continue to monitor the culverts, and if necessary adjust project timing.

## Project Highlights

An alternative would be to replace the pipes with a bridge or bottomless culvert. This would most likely be more expensive, but would improve the aquatic ecosystem in the area. It is possible to combine replacement with additional riparian buffer enhancement, which would mean a portion of the project cost would qualify for the joint compliance program currently approved for the Falls Lake rules.

Current estimate is attached. NuPipe is a unique contractor that provides spincasting services in our area. Below is a link to the NuPipe website gallery that shows before and after photos of various projects.

<https://nu-pipe.webflow.io/gallery>

Also attached are some close-up pictures showing the deterioration of the metal pipes that has started.

Funds for this project will be transferred from the Stormwater Operating Fund to the project fund over several years.

## Project Expenditures

35-30-5900 - Elizabeth Brady Road Culvert Rehabilitation

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Capital - Infrastructure	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0

Object	2030-31	Total
Capital - Infrastructure	\$0	\$275,000
TOTAL	\$0	\$275,000

## Project Revenues

35-30-5900 - Elizabeth Brady Road Culvert Rehabilitation

Object	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Miscellaneous	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0	\$275,000	\$0	\$0	\$0

Object	2030-31	Total
Miscellaneous	\$0	\$275,000
TOTAL	\$0	\$275,000

## Additional Information

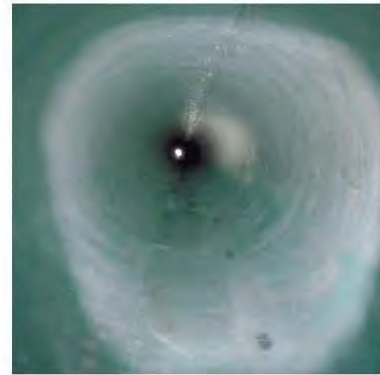
Before



During



After



Examples of spincasting projects



# Supplemental Information

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# Budget Schedule

FY2025 Operating & Capital Budget

## Budget Schedule

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### November

2nd: Budget Kickoff

### December

8th: CIP Requests Due

### January

19th: Continuation budget adjustments, budget justification forms and personnel expansion forms due

19th: Fees and charges schedule updates due

### February

6th-8th: Budget review meetings

16th: Final revenue estimates due (based on actuals through January)

16th: Budget balancing begins

17th: Budget retreat

### April

### May

13th: FY25 budget presentation for Board of Commissioners

28th: Budget workshop and public hearing

### June

3rd: Second budget workshop (if needed)

10th: Consider adoption of FY25 Budget & Financial Plan

24th: Consider adoption of FY25 Budget & Financial Plan (if needed)

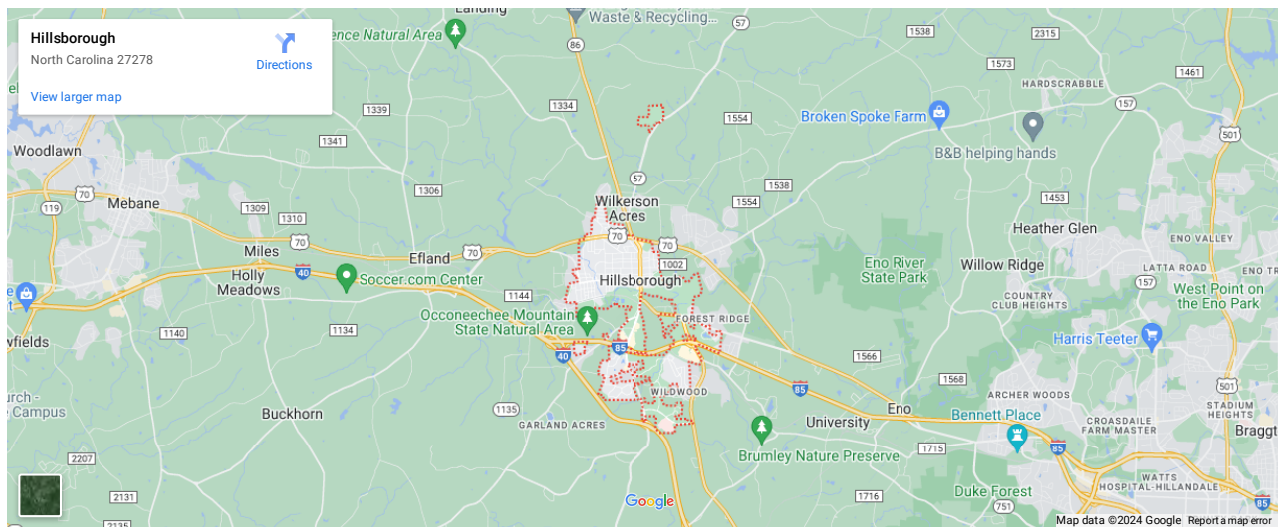


# Information About Hillsborough

## FY2025 Operating & Capital Budget

### Location

Hillsborough, the county seat for Orange County, is part of the Central Piedmont region of North Carolina. Located at the western edge of the Research Triangle Park area, Hillsborough is in close proximity to Raleigh (i.e., the state capital), Durham and Chapel Hill. Two nationally renowned universities – University of North Carolina at Chapel Hill and Duke University in Durham – are within close range. The Town of Hillsborough encompasses 3,902 acres and 6.1 square miles as of 2020.



### History

The Town of Hillsborough was founded in 1754. Prior to the Revolutionary War, many dramatic events took place here. The Regulators, a group who staged an uprising to protest taxes, corrupt officials, and non-representation, were tried and hanged in Hillsborough. Hillsborough also hosted the momentous Constitutional Convention of 1788 where delegates demanded a Bill of Rights before they would ratify the U.S. Constitution. The Hillsborough Visitors Center once served as the headquarters for Confederate General Johnston, who negotiated the surrender with Union General Sherman that led to the end of the Civil War.

Today, Hillsborough's residents work hard to honor and preserve the town's rich history. More than 110 homes and other structures built in the 1700s and 1800s are still in use today. Many tourists come to Hillsborough each year to visit a variety of historical attractions. Modern Hillsborough encompasses residential neighborhoods, a large historic district and a considerable number of retail and business areas with an emphasis on antique and craft shopping.

### Demographics

The State Demographer's standard population estimate for the Town of Hillsborough as of July 1, 2022 is 9,902. The demographic breakdown of the town, according to the [U.S. Census Bureau](#), is 76.1 percent White and 12.7 percent Black or African American. Individuals who identify as Hispanic or Latino make up 8.0 percent of the town's population. 93.2 percent of residents aged 25 and older graduated high school and 57.6 percent have a bachelor's degree or higher. The median household income is \$86,250 (in 2022 dollars).

## Government

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The Town of Hillsborough's form of government is a council-manager system. Legislative and policy-making authority rests with the mayor and the five-member Board of Commissioners. The mayor is elected every two years. Each Commissioner serves a four-year term. Elections are non-partisan, staggered and held during odd-numbered years. The board hires a town manager to carry out its policies, as well as to manage and direct the daily operation of the town. The town provides many services including police protection, street maintenance, and water and wastewater system operations.

## Local Economy

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Hillsborough, Orange County and the Research Triangle Park area continue to experience growth and are considered to be among the most desirable areas of the country to live and work according to several national surveys. The town's economy is diversified with manufacturing and a mix of wholesale and retail businesses as well as numerous service providers. Local industries are involved in a range of operations from simple assembly to complex manufacturing processes resulting in products such as hydraulic equipment and electronic and computerized medical diagnostic equipment.

Orange County's unemployment rate is below the state and national averages. This eighteen-year trend continued during last year in which the county's unemployment rate as of January 2024 was 2.8 percent, while the state and national rates were 3.6 percent and 3.9 percent (April 2024) respectively (not seasonally adjusted).

The town's economy is expected to remain relatively strong in the foreseeable future because of the benefits derived from the low unemployment rate and a stable employment base. The town is served by Interstates 85 and 40. The widening of Interstate 85 to eight lanes, expected to be completed by the state during the next several years, will greatly improve access to the town from other areas of the state, thereby creating many economic benefits for the town. We are confident that with proper planning and continued effective leadership, the town will be able to meet the challenges of the future.

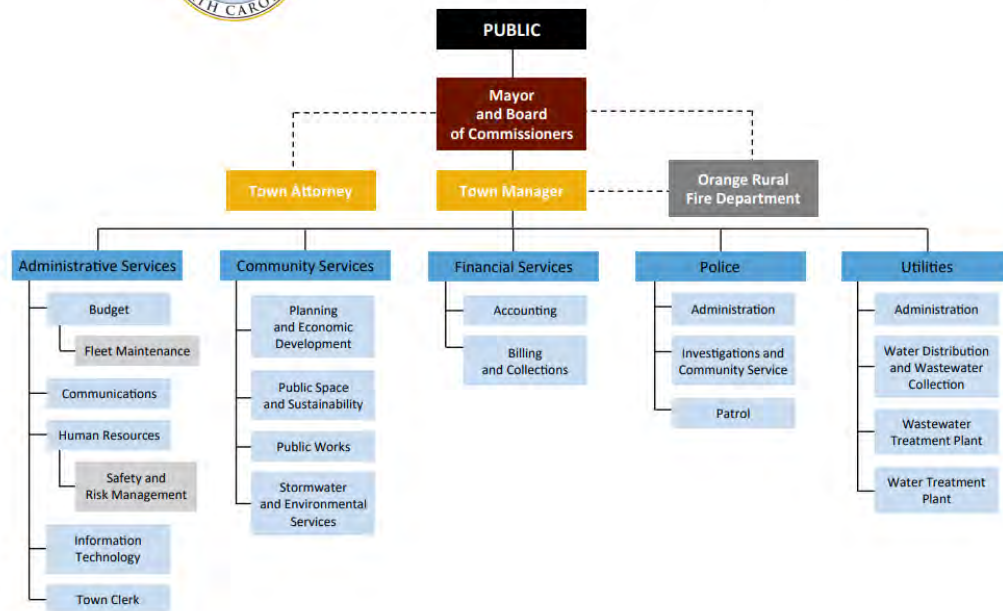


# Organization Chart

FY2025 Operating & Capital Budget



## ORGANIZATIONAL CHART





# Funds & Departments

## FY2025 Operating & Capital Budget

Below outlines the organizational structure the town uses to account for (including accounting numbers) revenues and expenditures of town operations. Revenues are accounted at the fund level. Expenditures are accounted at the budget unit level (e.g. Governing Body, Planning, Water Treatment Plant, etc.).

### General Fund

#### **Fund 10 - General Fund**

##### General Government

4100 - Governing Body  
4200 - Administration  
4400 - Accounting  
4500 - Human Resources  
4600 - Communications  
4900 - Planning  
5000 - Facility Management  
6300 - Public Space  
6600 - Safety & Risk Mgmt.  
6610 - Info. Technology

##### Public Safety

5100 - Police  
5350 - Fire Protection

##### Public Works

5550 - Fleet Maintenance  
5600 - Streets  
5800 - Solid Waste

##### Cemetery

6400 - Cemetery

##### Special Appropriations

6900 - Special Appropriations

##### General Balancing

9990 - Contingency

### Enterprise Funds

#### **Fund 30 - Water & Sewer Fund**

7200 - Administration  
of Enterprise

7220 - Utilities Administration  
7240 - Billing & Collections  
8120 - Water Treatment Plant  
8130 - West Fork Eno Reservoir  
8140 - Water Distribution  
8200 - Wastewater Collection  
8220 - Wastewater  
Treatment Plant

9990 - Contingency

#### **Fund 35 - Stormwater Fund**

5900 - Stormwater

### Other Funds

#### **Capital Project Funds**

**Fund 60** - General Capital  
Improvements

**Fund 61** - Stormwater Capital  
Improvements

**Fund 67** - WFER - Carrstore-  
Mill Creek Rd Proj.

**Fund 69** - Utilities Capital  
Improvements

#### **Capital Reserve Funds**

**Fund 70** - CRF-Water & Sewer

**Fund 71** - CRF-General

**Fund 72** - Restricted Revenue-  
General

**Fund 75** - CRF-Water System  
Development Fees

**Fund 76** - CRF-Sewer System  
Development Fees

#### **Other Funds**

**Fund 73** - Tourism Dev.  
Authority

**Fund 74** - Tourism Board

**Fund 77** - Grant Fund - ARPA

**Fund 79** - Special Assessment  
District



# Full Time Equivalent Positions (FTEs)

FY2025 Operating & Capital Budget

## Positions by Department and Fund

ADMINISTRATION		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	ADMINISTRATIVE SERVICES DIRECTOR	1.00	1.00	1.00	1.00
	BUDGET DIRECTOR	1.00	1.00	1.00	1.00
	BUDGET & MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
	COMMUNICATIONS MANAGER	1.00	1.00	1.00	1.00
	COMMUNICATIONS SPECIALIST	1.00	1.00	1.00	1.00
	SENIOR COMMUNICATIONS SPECIALIST	1.00	1.00	1.00	1.00
	TOWN CLERK/HUMAN RESOURCES TECHNICIAN	0.60	0.60	0.60	0.60
	TOWN MANAGER	1.00	1.00	1.00	1.00
	<b>ADMINISTRATION SUBTOTAL</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>	<b>7.60</b>
ACCOUNTING		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	ACCOUNTING TECHNICIAN	2.40	2.40	2.40	2.40
	ACCOUNTS PAYABLE TECHICIAN	1.00	1.00	1.00	1.00
	FINANCE DIRECTOR	1.00	1.00	1.00	1.00
	FINANCIAL ANALYST	1.00	1.00	1.00	1.00
	<b>ACCOUNTING SUBTOTAL</b>	<b>5.40</b>	<b>5.40</b>	<b>5.40</b>	<b>5.40</b>
HUMAN RESOURCES		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
	HUMAN RESOURCES ANALYST	1.00	1.00	1.00	1.00
	TOWN CLERK/HUMAN RESOURCES TECHNICIAN	0.40	0.40	0.40	0.40
	<b>HUMAN RESOURCES SUBTOTAL</b>	<b>2.40</b>	<b>2.40</b>	<b>2.40</b>	<b>2.40</b>
PLANNING		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	ASSISTANT TOWN MANAGER/COMMUNITY SERVICES DIRECTOR	1.00	1.00	1.00	1.00
	PLANNER	1.00	1.00	1.00	1.00
	PLANNING & ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
	PLANNING TECHNICIAN	1.00	1.00	1.00	1.00
	SENIOR PLANNER	1.00	1.00	1.00	1.00
	PLANNER II	1.00	1.00	1.00	1.00
	<b>PLANNING SUBTOTAL</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>
FACILITIES MANAGEMENT		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	FACILITIES COORDINATOR	1.00	1.00	1.00	1.00
	<b>FACILITIES MANAGEMENT SUBTOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
POLICE		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	CHIEF OF POLICE	1.00	1.00	1.00	1.00
	EVIDENCE & PROPERTY TECHNICIAN	0.40	0.40	0.40	0.40
	MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
	POLICE LIEUTENANT	4.00	4.00	4.00	4.00
	POLICE MAJOR	2.00	2.00	2.00	2.00
	POLICE OFFICER	14.00	14.00	14.00	14.00
	POLICE OFFICER 1ST CLASS	4.00	4.00	4.00	4.00
	POLICE SERGEANT	7.00	7.00	7.00	7.00
	SENIOR ADMINISTRATIVE SUPPORT SPECIALIST	1.00	1.00	1.00	1.00
	DIVERSION SOCIAL WORKER	1.00	1.00	1.00	1.00
	<b>POLICE SUBTOTAL</b>	<b>35.40</b>	<b>35.40</b>	<b>35.40</b>	<b>35.40</b>
FLEET MAINTENANCE		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	FLEET MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
	FLEET MECHANIC	2.00	2.00	2.00	2.00
	<b>FLEET MAINTENANCE SUBTOTAL</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>

STREETS		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	CIVIL ENGINEERING TECHNICIAN	0.10	0.10	0.10	0.10
	ENVIRONMENTAL ENGINEERING SUPERVISOR	0.10	0.10	0.10	0.10
	EQUIPMENT OPERATOR I	2.60	2.60	2.60	2.60
	PUBLIC WORKS SUPERVISOR	1.00	1.00	1.00	1.00
	<b>STREETS SUBTOTAL</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>	<b>3.80</b>
SOLID WASTE		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	CREW LEADER	1.00	1.00	1.00	1.00
	EQUIPMENT OPERATOR I	1.00	1.00	1.00	1.00
	EQUIPMENT OPERATOR II	1.00	1.00	1.00	1.00
	PUBLIC WORKS MANAGER	1.00	1.00	1.00	1.00
	SENIOR ADMINISTRATIVE SUPPORT SPECIALIST	0.50	0.50	0.50	0.50
	<b>SOLID WASTE SUBTOTAL</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>	<b>4.50</b>
PUBLIC SPACE		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	EQUIPMENT OPERATOR I	0.40	0.40	0.40	0.40
	PUBLIC SPACE & SUSTAINABILITY MANAGER	1.00	1.00	1.00	1.00
	SENIOR ADMINISTRATIVE SUPPORT SPECIALIST	0.50	0.50	0.50	0.50
	<b>PUBLIC SPACE SUBTOTAL</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>
SAFETY AND RISK MANAGEMENT		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	SAFETY AND RISK MANAGER	1.00	1.00	1.00	1.00
	<b>SAFETY AND RISK MANAGEMENT SUBTOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
INFORMATION TECHNOLOGY		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	IT MANAGER	1.00	1.00	1.00	1.00
	<b>INFORMATION TECHNOLOGY SUBTOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
UTILITIES ADMINISTRATION		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	CIVIL ENGINEERING TECHNICIAN	0.80	0.80	0.80	0.80
	ENVIRONMENTAL ENGINEERING SUPERVISOR	0.80	0.80	0.80	0.80
	UTILITIES DIRECTOR	1.00	1.00	1.00	1.00
	UTILITIES INSPECTOR	1.00	1.00	1.00	1.00
	UTILITIES ADMINISTRATIVE ASSISTANT	0.00	1.00	1.00	1.00
	<b>UTILITIES ADMINISTRATION SUBTOTAL</b>	<b>3.60</b>	<b>4.60</b>	<b>4.60</b>	<b>4.60</b>
BILLING & COLLECTIONS		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	BILLING & CUSTOMER SERVICE SUPERVISOR	1.00	1.00	1.00	1.00
	CUSTOMER SERVICE REPRESENTATIVE	1.35	1.35	1.35	1.35
	SENIOR CUSTOMER SERVICE REPRESENTATIVE	1.00	1.00	1.00	1.00
	METER SERVICES SUPERVISOR	1.00	1.00	1.00	1.00
	METER SERVICES TECHNICIAN	1.00	1.00	1.00	1.00
	<b>BILLING &amp; COLLECTIONS SUBTOTAL</b>	<b>5.35</b>	<b>5.35</b>	<b>5.35</b>	<b>5.35</b>
WATER TREATMENT PLANT		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	DEPUTY UTILITIES DIRECTOR	0.05	0.05	0.05	0.05
	OPERATOR IN RESPONSIBLE CHARGE	1.00	1.00	1.00	1.00
	PLANT MAINTENANCE MECHANIC I	1.00	1.00	1.00	1.00
	WATER PLANT OPERATOR I	2.00	2.00	2.00	2.00
	WATER PLANT OPERATOR III	2.80	2.80	2.80	2.80
	WATER PLANT SUPERINTENDENT	1.00	1.00	1.00	1.00
	<b>WATER TREATMENT PLANT SUBTOTAL</b>	<b>7.85</b>	<b>7.85</b>	<b>7.85</b>	<b>7.85</b>
WATER DISTRIBUTION		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	BACKFLOW/FOG SPECIALIST	0.50	0.50	0.50	0.50
	UTILITY MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
	UTILITY MAINTENANCE TECHNICIAN I	5.00	5.00	5.00	5.00
	UTILITY SYSTEM SUPERINTENDENT	0.50	0.50	0.50	0.50
	UTILITY SYSTEMS MECHANIC I	0.50	0.50	0.50	0.50
	UTILITY SYSTEMS MECHANIC III	1.00	1.00	1.00	1.00
	<b>WATER DISTRIBUTION SUBTOTAL</b>	<b>8.50</b>	<b>8.50</b>	<b>8.50</b>	<b>8.50</b>



WASTEWATER COLLECTION		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	BACKFLOW/FOG SPECIALIST	0.50	0.50	0.50	0.50
	UTILITY MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00
	UTILITY SYSTEM SUPERINTENDENT	0.50	0.50	0.50	0.50
	UTILITY SYSTEMS MECHANIC I	4.50	4.50	4.50	4.50
	UTILITY SYSTEMS MECHANIC III	1.00	1.00	1.00	1.00
	<b>WASTEWATER COLLECTION SUBTOTAL</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>	<b>7.50</b>

WASTEWATER TREATMENT PLANT		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	CHIEF WASTEWATER PLANT OPERATOR	1.00	1.00	1.00	1.00
	DEPUTY UTILITIES DIRECTOR	0.95	0.95	0.95	0.95
	PLANT MAINTENANCE MECHANIC I	1.00	1.00	1.00	1.00
	PLANT MAINTENANCE MECHANIC III	1.00	1.00	1.00	1.00
	WASTEWATER LABORATORY SUPERVISOR	1.00	1.00	1.00	1.00
	WASTEWATER PLANT OPERATOR I	1.00	1.00	1.00	1.00
	WASTEWATER PLANT OPERATOR II	1.00	1.00	1.00	1.00
	<b>WASTEWATER TREATMENT PLANT SUBTOTAL</b>	<b>6.95</b>	<b>6.95</b>	<b>6.95</b>	<b>6.95</b>

STORMWATER		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	CIVIL ENGINEERING TECHNICIAN	0.10	0.10	0.10	0.10
	ENVIRONMENTAL ENGINEERING SUPERVISOR	0.10	0.10	0.10	0.10
	EQUIPMENT OPERATOR II	1.00	1.00	1.00	1.00
	EQUIPMENT OPERATOR I	0.00	0.00	1.00	1.00
	STORMWATER & ENVIRONMENTAL SERVICES MANAGER	1.00	1.00	1.00	1.00
	STORMWATER PROGRAM COORDINATOR	1.00	1.00	1.00	1.00
	STORMWATER TECHNICIAN	1.00	1.00	1.00	1.00
	<b>STORMWATER SUBTOTAL</b>	<b>4.20</b>	<b>4.20</b>	<b>5.20</b>	<b>5.20</b>

SUMMARY BY FUND		FY24 Actual	FY25 Actual	FY26 Budget	FY27 Projection
	GENERAL FUND	73.00	73.00	73.00	73.00
	WATER AND SEWER FUND	39.75	40.75	40.75	40.75
	STORMWATER FUND	4.20	4.20	5.20	5.20
	<b>GRAND TOTAL</b>	<b>116.95</b>	<b>117.95</b>	<b>118.95</b>	<b>118.95</b>



# Debt Service Summary

## FY2025 Operating & Capital Budget

Fund	Project	FY25	FY26	FY27
General Fund	604 & 618 N. Churton St.	\$ 47,228	\$ 46,047	\$ 44,865
General Fund	Garbage Truck	\$ 62,618	\$ 62,618	\$ -
General Fund	N. Campus Project	\$ 200,172	\$ 200,172	\$ 200,172
General Fund	Fleet Facility	\$ 36,928	\$ -	\$ -
General Fund	Passenger Rail / Multi-Modal Station	\$ -	\$ -	\$ 36,104
	<b>General Fund Total</b>	<b>\$ 346,946</b>	<b>\$ 308,837</b>	<b>\$ 281,141</b>
Water and Sewer	West Fork Eno Reservoir Phase II - 2018	\$ 474,469	\$ 472,969	\$ 476,344
Water and Sewer	West Fork Eno Reservoir Phase II - 2020	\$ 365,491	\$ 367,056	\$ 363,463
Water and Sewer	WTP Upgrades	\$ 80,279	\$ 78,251	\$ -
Water and Sewer	South Zone Water Tank	\$ 94,122	\$ 94,122	\$ 94,122
Water and Sewer	WWTP Upgrade	\$ 1,109,119	\$ 1,087,258	\$ 1,065,396
Water and Sewer	N. Campus Project	\$ 39,126	\$ 39,126	\$ 39,126
Water and Sewer	Lawndale Basin Rehabilitation	\$ -	\$ 33,357	\$ 33,357
Water and Sewer	Adron F. Thompson Facility Renovation	\$ -	\$ 249,848	\$ 499,696
Water and Sewer	Eno River Interceptors	\$ -	\$ -	\$ 454,202
	<b>Water and Sewer Fund Total</b>	<b>\$ 2,162,606</b>	<b>\$ 2,421,987</b>	<b>\$ 3,025,706</b>
	<b>GRAND TOTAL</b>	<b>\$ 2,509,552</b>	<b>\$ 2,730,824</b>	<b>\$ 3,306,847</b>



# Financial Management System

## FY2025 Operating & Capital Budget

### Summary of Significant Accounting Policies

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The accounting policies of the Town of Hillsborough conform to the generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

#### I. Reporting Entity

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The Town of Hillsborough is a municipal corporation which is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, the financial statements present all funds and account groups which are controlled by or are financially dependent upon the town. The town provides financial support to certain boards, agencies and commissions. The town has evaluated its relationship with each of these entities according to criteria established by GASB Statement 14 and has determined that none of these entities is includable in the reporting entity because the town is not financially accountable for them.

#### II. Basis of Presentation – Fund Accounting

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The accounts of the town are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds.

The town uses the following fund categories (further divided by type) and account groups:

##### Governmental Funds

Used to account for the town's governmental functions. The Town of Hillsborough's Governmental funds include the following types:

- General Fund - The General Fund is the general operating fund of the town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants and various other taxes and licenses. The primary expenditures are for general government, administration, public safety, street maintenance and construction, and solid waste services.

##### Proprietary Funds

Used to account for the town's business-like activities. The Town of Hillsborough's Proprietary funds include the following:

- Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred,

and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Hillsborough has one Enterprise Fund, that being the Water and Sewer Fund. The Enterprise Fund is comprised of the following sub-funds:

- Water/Sewer: which accounts for the general operation of the water and sewer departments.
- Stormwater: which accounts for the general operation of the stormwater department.

#### Fiduciary Funds

Used to account for the activities where the Town holds money in trust for a third party. The Town of Hillsborough's Fiduciary Funds include the following:

- Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, other governments and/or other funds. These include Pension Trust Funds. Pension Trust Funds are accounted for essentially the same as the proprietary funds since capital maintenance is critical. The town has one Fiduciary Fund, the Pension Trust Fund.

#### Account Groups

- General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the Town of Hillsborough, other than those accounted for in the proprietary funds or trust funds.
- General Long-Term Debt Account Group - This group of accounts is established to account for all general long-term debt and certain other liabilities that are not specific liabilities of the proprietary funds of the town.

### III. Measurement Focus and Basis of Accounting

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The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The proprietary funds and the pension trust fund are accounted for on the flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Operating statements for these funds present increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

The basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

In accordance with the North Carolina General Statutes, all funds of the town are maintained during the year using the modified accrual basis of accounting. The governmental fund types are presented in the financial statements on this same basis. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e. when they are "measurable" and "available") to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not



# Capital Improvement Plan Guide

FY2025 Operating & Capital Budget

## Purpose and Definitions:

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The purpose of the capital improvement plan (CIP) is to forecast and match projected revenues and major capital needs over a seven-year period. Capital planning is an important management tool that strengthens the linkages between community infrastructure needs and the financial capacity of the town.

The town defines CIP capital expenditures as any expenditure of major value that recurs irregularly, results in the acquisition of a fixed asset, and has a useful life greater than one (1) year. As a rule of thumb, items included in the CIP include those which:

- Involve acquisition, renovation, and/or construction of a single fixed asset greater than \$100,000.
- Involve any land purchases greater than \$100,000 not associated with or included in another CIP project.

## Capital Improvement Plan Development

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The CIP is updated annually as part of the town's regular budget process. Projects are reviewed and evaluated based on Mayor and Board of Commissioners' service desires, other town infrastructure needs, the financial capacity of the town and the impact the projects will create on the town's operating budget. Once the projects are evaluated, a recommended CIP is developed that identifies the selection and timing of capital projects into future fiscal years. First-year projects are incorporated into the Town Manager's recommended annual operating budget. The Mayor and Board of Commissioners are also presented the future, unappropriated planning years for their consideration, review and endorsement so staff can proceed with planning and evaluation of potential capital projects.

## Capital Improvement Plan Development

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The capital improvement plan is simply that – a plan. As such, projects are subject to change based on new or shifting service needs, special financing opportunities, emergency needs, or other directives or priorities established by the Mayor or Board of Commissioners. Because priorities can change, projects included in outward planning years are not guaranteed for funding.

The Hillsborough CIP achieves five major objectives as a component of the town's budget and financial planning process:

1. Helps the town rationally and intelligently plan for the repair, replacement, and acquisition of capital items that are necessary in providing high quality services to the residents of Hillsborough.
2. Assists in fiscal planning by forecasting capital demands together with future revenues and expenditures (as part of the financial plan).
3. Ensures better coordination, evaluation and planning of projects to serve the community and its needs.
4. The CIP, together with the Financial Plan, serves as a guide to decision-making for the Board, Town Manager, and employees.
5. The systematic and comprehensive analysis of capital needs increases the probability of making rational (and correct) budgetary judgments since improvements are identified, prioritized, and matched to the projected fiscal resources of the town.





TOWN OF HILLSBOROUGH

# STRATEGIC PLAN



FY2024-26



Adopted 06-26-2023





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# TOWN LEADERSHIP

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## **BOARD OF COMMISSIONERS**

Jenn Weaver – Mayor  
Matt Hughes – Mayor Pro Tem  
Evelyn Lloyd – Commissioner  
Kathleen Ferguson – Commissioner  
Mark Bell – Commissioner  
Robb English – Commissioner

## **TOWN OFFICIALS**

Eric J. Peterson – Town Manager  
Beth Yurchisin – IT Manager  
Catherine Wright – Communications Manager  
Dave McCole – Finance Director  
Duane Hampton – Police Chief  
Emily Bradford – Budget Director  
Haley Bizzell – Human Resources Manager  
Jen Della Valle – Administrative Services Director  
Marie Strandwitz – Utilities Director  
Matt Efird – Assistant Town Manager/Community Services Director  
Sarah Kimrey – Town Clerk  
Shannan Campbell – Planning Manager  
Stephanie Trueblood – Public Space & Sustainability Manager



# Elements of the PLAN

## **Vision**

A statement that describes what organizational success will look like in the future.

## **Mission**

A statement that outlines the organization's purpose.

## **Values**

The set of core beliefs that will determine the approach to realizing the town's vision.

## **Focus Areas**

Main categories that the town will focus on in the 3-year strategic plan window.

## **Strategic Objectives**

A set of desired outcomes and promises that will align the town with its vision over the long-term.

## **Initiatives**

Identifies specific action items to implement in the next 1-3 years to move the organization towards its goals.

## PURPOSE

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A strategic plan is a management tool that helps an organization align its leadership, resources, and operations to advance a set of goals. It also serves to establish priorities for policy initiatives, budgeting and staffing decisions, and capital investments to create outcomes that are important to the community.

The Town of Hillsborough has limited resources yet faces endless needs, opportunities, and distractions that compete for the use of these resources. The purpose of this strategic plan is to serve as an action-oriented road map that strategically aligns available resources with priorities, which is critical to the effective and efficient delivery of government services.

This strategic plan was drafted after years of collaboration among members of the Board of Commissioners and leadership from the town's departments and divisions.

# STRATEGY MAP

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## VISION STATEMENT

We envision Hillsborough as a prosperous town, filled with vitality, fostering a strong sense of community, celebrating its unique heritage and small-town character.

## MISSION STATEMENT

We are stewards of the public trust who exist to make the Vision for Hillsborough a reality. We manage and provide the infrastructure, resources, and services that enhance the quality of life for the living beings and land within our town.

## VALUES

As we strive to achieve our goals, we commit to maintaining these core values:

- Vibrancy
- Equity & Inclusion
- Forward Thinking
- Public Service

## FOCUS AREAS





# VALUES

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## **VIBRANCY**

A vibrant Hillsborough is one that is lively and active. We see this manifest in cultural art events, recreation, and how people know each other and are connected by physical and social networks. The community can find ways to participate and connect from both inside and outside their homes. The people, physical environment, and business community are core to this vibrant atmosphere.

## **EQUITY & INCLUSION**

Hillsborough is a place where every resident can thrive, where everyone who lives and works here feels they belong. We will strive to support policies, plans, and actions that are administered fairly to build a Hillsborough where people of all races, ethnicities, gender identifications, sexes, sexual orientations, abilities, and incomes want to live, can afford to live, and will be treated with dignity and respect.

## **FORWARD THINKING**

We think and make decisions that can persist over generations for a sustainable Hillsborough, acknowledging that economic, environmental and social issues are interrelated. This community has a unique sense of place encapsulated by both Hillsborough's long and treasured history and where it meets change and looks to the future. We have an obligation to be fiscally, environmentally, and culturally wise in order to plan for the long term and be resilient to climate change and unforeseen events. We strive to foster a culture of innovation and creativity in town operations.

## **PUBLIC SERVICE**

The town of Hillsborough is here to serve. We are committed to good and ethical governance. We are responsible stewards of community tax dollars put to use for the public good. We strive to ensure each resident, visitor, business, and employee are safe as they live, work, and play in Hillsborough, and this sense of safety should extend beyond the physical environment to foster a community where the people are free from worry regarding whether who they are has bearing on how they are treated.





**FOCUS AREA 1**  
SUSTAINABILITY





# SUSTAINABILITY

## Initiatives

Objective 1

**Optimize the built environment in a way that aligns with smart growth principles.**

- 1.1 – Overhaul the Unified Development Ordinance and Zoning Map to reflect current development trends and patterns to incorporate sustainability, environmental and climate best practices, economic resiliency measures, and equity in development and redevelopment as well as meet water and sewer system-wide needs. (FY24-FY25)
- 1.2 – Update the Future Land Use Map to simplify land use categories and express current preferred future land use and growth patterns (FY24-FY25).

Objective 2

**Intensify efforts to meet 2030 and 2050 clean energy goals, reducing overall energy consumption and increasing the use of clean energy for town operations.**

- 2.1 – Access renewable energy generation potential for solar photovoltaics and wind energy projects on town-owned properties and identify priority sites for planning and implementation (FY24-26).
- Initiative 2.2 – Investigate opportunities and incorporate to the greatest extent possible sustainability and climate initiatives in facility development including geothermal, solar, weatherization, and green infrastructure (FY24-26).
- 2.3 – For on-site renewable energy generation, explore the feasibility of energy storage systems (FY26).
- 2.4 – Evaluate the town's vehicle fleet to determine right-sizing and transition to electric vehicle (EV) potential. Transition the town's vehicle fleet to zero emission alternatives on a schedule consistent with vehicle lifecycles and market availability. Advance the schedule of this transition as feasible (FY24-FY26).
- 2.5 – Ensure electric vehicle charging infrastructure is appropriately provided to support the town's vehicle transition (FY25).
- 2.6 – Work with regional partners to expand the number of EV charging stations in the town to support EV readiness and encourage widespread adoption, especially in key places like Gold Park and the Town Hall campus (FY25-FY26).
- 2.7 – Continue to coordinate at a regional level on the Electric Vehicle Supply Equipment Location Suitability Analysis (FY24).

Objective 3

**Protect and enhance natural resources.**

- 3.1 – Develop and adopt a tree inventory for town-owned and town-maintained properties (FY25).
- 3.2 – Develop and adopt a tree preservation policy for town-owned and town-maintained properties (FY25-FY26).
- 3.3 – Develop and adopt a landscape management plan for town-owned and town-maintained properties (FY24).
- 3.4 – Develop and adopt a native and adapted plant policy that improves and expands habitat for wildlife and pollinators for town-owned and town-maintained properties (FY25-FY26).
- 3.5 – Investigate options to develop incentives for developers to incorporate sustainable environmental best practices for managed natural areas and landscapes (FY25-FY26).
- 3.6 – Update and adopt a comprehensive stormwater management plan (FY25).
- 3.7 – Continue implementing watershed improvement projects under the Interim Alternative Implementation Approach for compliance with the Falls Lake Stage 1 Existing Development Rule for Stormwater (FY24-FY26).

## Performance Measures

- Completion of initiatives. Other measures to be determined.





## **FOCUS AREA 2**

### CONNECTED COMMUNITY





# CONNECTED COMMUNITY

## Initiatives

Objective 1

**Advance a multi-modal network that reduces single-occupancy vehicles and links Hillsborough residents to key places and each other.**

- 1.1 – Complete Churton Street Multi-Modal Corridor Study to inform the future NC Department of Transportation-funded project (FY24).
- 1.2 – Contribute annual budget allocations to expand public art and amenities and public spaces (FY24-26).
- 1.3 – Ridgewalk feasibility study is complete. If directed by the board, design and engineering for the section from downtown to Collins Ridge will proceed (FY24-FY25).

Objective 2

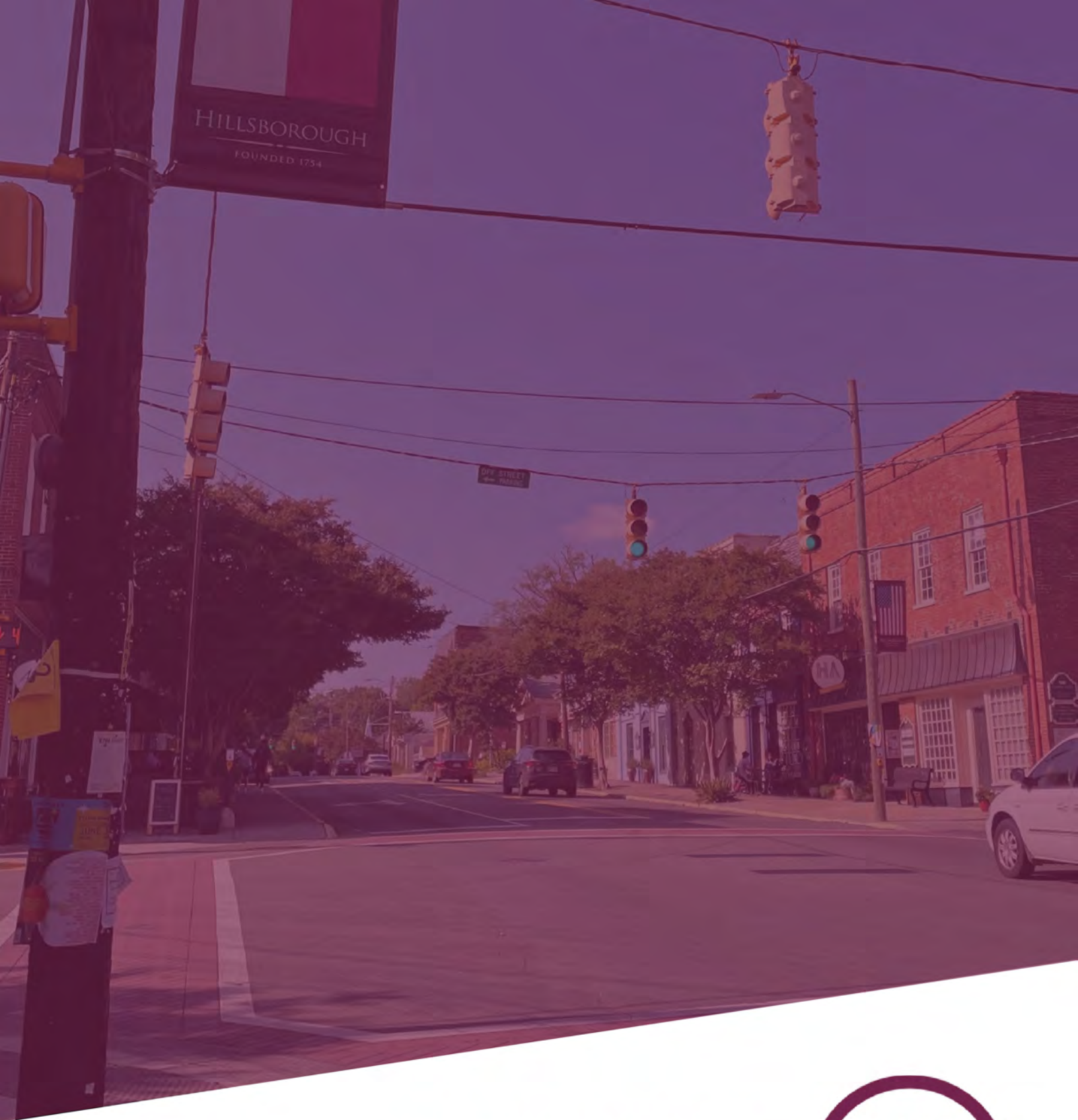
**Foster reliable, high-speed internet services throughout the community.**

- 2.1 – Explore offering wireless access points at parks and public spaces to increase internet accessibility (FY24).
- 2.2 – Review broadband speed accessibility in different areas of town using the state’s coverage map (FY24).

## Performance Measures

- Completion of initiatives. Other measures to be determined.





## **FOCUS AREA 3**

### ECONOMIC VITALITY







# ECONOMIC VITALITY

## Initiatives

Objective 1

**Develop public projects, policies and marketing related to economic system goals.**

- 1.1 – Conduct a downtown parking study to develop and adopt a long-range parking plan (FY24).
- 1.2 – Complete Train Station Development Master Plan (FY24-FY25).
- 1.3 – Invest in wayfinding and interpretive signage programs (FY24-FY26).
- 1.4 – Market and brand Hillsborough through town website and social media as a great place to live, work and do business by engaging in partnerships to highlight success stories and incentive opportunities (FY24-FY26).

Objective 2

**Develop partnerships and programming that provide jobs, employment education, workforce development and training.**

- 2.1 – Identify and analyze current labor market and skills gaps/needs through partnership, contract, or town-led study (FY25).
- 2.2 – Engage with the local business community through periodic small business workshops hosted by town or in conjunction with economic development partners (FY24-FY26).

Objective 3

**Create equitable economic opportunities for all residents.**

- 3.1 – Translate business documents and forms into other relevant languages and set up a system for staff to be able to communicate in other languages with residents (FY25).
- 3.2 – Work with local and regional partners to identify and promote woman and Black, Indigenous and People of Color (BIPOC) owned businesses through marketing success stories and tracking contractual partnerships with the town (FY24-FY26).

Objective 4

**Preservation of naturally occurring affordable housing.**

- 4.1 – Actively participate in county-wide housing plan effort to inform a local action plan (FY24).
- 4.2 – Develop local action plan (FY25).
- 4.3 – Financially support existing efforts to preserve affordable housing or support housing stability with locally identified funding (FY26).

Objective 5

**Develop policies and invest in projects that contribute to meeting identified affordable housing needs in town.**

- 5.1 – Establish an affordable housing reserve fund to support the creation of new affordable housing units (FY26).
- 5.2 – Support changes to town code and state law to provide new funding sources and reduce administrative barriers for affordable housing creation (FY24-FY26).
- 5.3 – Prioritize surplus of town-owned land for creation of affordable housing and strategically acquire additional land or financial participation from new development for affordable housing (FY24-FY26).

## Performance Measures

- Complete downtown parking study.
- Complete Train Station Development Master Plan.
- \$ invested in wayfinding signage program.
- # of social media and/or website story highlights promoted in collaboration with Communications Division or local news media outlets.
- # of small business workshops held with workforce development partners.
- # of business documents and forms translated.



## FOCUS AREA 4

### COMMUNITY SAFETY





# COMMUNITY SAFETY

## Initiatives

Objective 1

**Ensure that all people are safe and feel safe throughout town.**

- 1.1 – Complete North Carolina League of Municipalities risk assessment and begin follow up on implementation of results (FY24).
- 1.2 – Host a community conversation that focuses on a broader concept of safety. Pilot completed in FY23 (FY24).
- 1.3 – Restart the police citizens academy program (FY25).

Objective 2

**Reinforce resiliency in town operations by implementing emergency preparedness strategies.**

- 2.1 – Complete refresh of the Emergency Operations Plan (FY24).
- 2.2 – Establish quarterly management check-ins (FY24-FY26).
- 2.3 – Conduct at least 1 tabletop exercise (FY25).
- 2.4. – Establish Emergency Operations Centers (FY24).
- 2.5 – Restart employee emergency preparedness training (FY24).

## Performance Measures

- “How safe do you feel in Hillsborough overall?”  
Community Survey question – Percentage of respondents who feel “very safe” or “safe”
- “How satisfied are you with town’s efforts to prevent crime?”  
Community Survey question – Percentage of respondents who respond “very satisfied” or “satisfied”
- “How satisfied are you with visibility of police in neighborhoods?”  
Community Survey question – Percentage of respondents who respond “very satisfied” or “satisfied”
- Percent of employees who have completed applicable National Incident Management System (NIMS) and Incident Command Structure (ICS) training.





**FOCUS AREA 5**  
SERVICE EXCELLENCE





# SERVICE EXCELLENCE

## Initiatives

Objective 1	Maintain, protect, and optimize assets and infrastructure to drive reliability, cost effectiveness, and efficiency.	<ul style="list-style-type: none"> <li>1.1 – Schedule and consolidate building maintenance services (FY24).</li> <li>1.2 – Develop a utilities asset management plan that helps identify risk of failure (FY25).</li> <li>1.3 – Evaluate whether vehicle replacement modeling changes are needed and update schedule for use on the FY25 budget (FY25).</li> </ul>
Objective 2	Provide quality municipal services through operational excellence and a culture of innovation.	<ul style="list-style-type: none"> <li>2.1 – Evaluate onboarding process and identify gaps and redesign process (FY24).</li> <li>2.2 – Explore and develop strategies to encourage the timely completion of performance evaluations (FY24).</li> </ul>
Objective 3	Promote inclusive community engagement in town services, programs, and projects.	<ul style="list-style-type: none"> <li>3.1 – Assess representation on appointed boards and boost recruitment efforts for underrepresented groups and areas (FY24).</li> <li>3.2 – Develop accessibility plan for town facilities and public spaces (FY25).</li> </ul>
Objective 4	Embed racial equity throughout the organization and in the services provided to the community.	<ul style="list-style-type: none"> <li>4.1 – Develop, adopt, and implement a racial equity plan (FY24-FY26).</li> </ul>

## Performance Measures

- “Overall quality of services provided by the town.”  
Community Survey question – Percentage of respondents who respond “very good” or “good”
- Percentage of geographic areas with appointed board representation.
- Alignment of appointed board representation with community demographics.
- Percentage of employees who have completed racial equity training.
- Percentage of performance evaluations that are completed on time.
- Breaks/leaks per \_\_\_ ft of distribution or collection pipe (still working on the details of this measure).
- Percent of gravity sewer mains inspected by CCTV camera.
- Percent of gravity sewer mains cleaned by water jetting.
- Asset depreciation metric from Environmental Finance Center (EFC) dashboard.
- “The town encourages innovation” (Employee Survey).
- “The town works to attract, develop, and retain people with diverse backgrounds” (Employee Survey).



# Glossary of Budget Terms

## FY2025 Operating & Capital Budget

**Accrual Basis of Accounting (or Full Accrual):** Accounting method for proprietary funds that recognizes revenues in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable.

**Ad Valorem Tax:** A tax levied in proportion to the value of real property.

**Amortization:** Paying the principal amount of a debt issue through periodic payments either directly to bondholders or to a sinking fund for later payment to bondholders. Amortization payments include interest and any payment on principal.

**Appropriation:** Authorization granted by the Board of Commissioners to obligate and expend resources for purposes specified in the Budget Document.

**Assessed Valuation:** The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes. (Note: the County establishes Property values.)

**Authorized Bond:** Bonds that have been legally approved but may or may not have been sold.

**Balanced Budget:** Occurs when planned expenditures equal anticipated revenues. North Carolina state law requires the annual operating budget to be balanced.

**Base Budget:** Those resources necessary to meet an established and existing service level.

**Basis of Accounting:** The accounting method that determines when, for accounting purposes, expenditures, expenses, and revenues are recognized. The two bases of governmental accounting include accrual (or full accrual) and modified accrual.

**Benchmarking:** The systematic process of searching for best practices, innovative ideas and highly effective operating procedures that lead to superior performance; The process of identifying the best-in-class and duplicating or surpassing their performance.

**Board of Commissioners:** A five member governing board elected within districts for four-year terms by the citizens of Hillsborough.

**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, the higher the bond rating, the less risk investors assume resulting in a more favorable interest rate and lower cost of financing capital projects for the governmental unit. The three main bond rating agencies include: Standard and Poor's, Moody's, and Fitch.

**Budget:** The budget translates organizational intentions into actions, allocating resources in support of organizational goals, objectives, and desired service levels.

**Budget Amendment:** A legal procedure used by Town staff and the Board of Commissioners to revise a budget appropriation.

**Budget Document:** A formal document outlining the Town's financial plan for a fiscal year.

**Budget Message:** A written overview of the proposed budget from the Town Manager to the Mayor and Board of Commissioners that discusses the major budget items and changes and the Town's present and future financial condition.

**Budget Ordinance:** The official enactment by the Board of Commissioners to establish legal authority for Town officials to obligate and expend resources.

**Capital Improvement Plan (CIP):** A multi-year plan (10 years for the Town) for the construction or acquisition of major capital items (over \$50,000). The plan usually outlines spending needs, the financing source or sources expected, and the impact of the CIP on future annual operating budgets.

**Capital Outlay:** An expenditure expected to have a useful life greater than one year or a total value of \$5,000 or more resulting in the acquisition of or addition to a fixed asset. Examples of capital outlay expenditures include vehicles, mowing equipment, and buildings.

**Capital Project:** A capital improvement that usually requires a major initial investment, and a significant and continuing financial commitment in the form of operating costs.

**Cash Accounting:** Basis of accounting which recognizes revenues when a government receives cash and costs when it disburses cash.

**Cash Management:** The management of cash necessary to pay for governmental services while investigating temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, and establishing and maintaining banking relationships.

**Certificates of Participation (COPS):** A security created as a part of a lease-purchase agreement. The lender, the holder of the certificate, owns a right to participate in periodic lease payments (interest and return of principal) as they are paid.

**Community Development Block Grant (CDBG):** An entitlement grant from the U.S. Department of Housing and Urban Development (HUD) to assist low and moderate income persons of the Town in targeted neighborhoods. This fund is required by federal regulations to account for the use of these funds.

**Contingency:** An account where funds are set aside for unforeseen expenditures which and become necessary during a fiscal year. Board approval is required for appropriation of these funds.

**Cost Allocations:** Portion of the budget pertaining to payments made to other departments for costs involved in supporting a primary service.

**Cost Center:** An organizational budget / operating unit within each City department or division (e.g. Water Treatment Plant is a cost center within the Water & Sewer department).

**Debt Service:** The portion of the budget pertaining to payment of principal and interest requirements on outstanding debts.

**Debt Service Funds:** Funds used for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt.

**Deficit:** The amount by which expenditures exceed revenues during an accounting period.

**Department:** A major administrative division of the Town that has overall management responsibility for an operation within a function area.

**Delinquent Taxes:** Taxes that remain unpaid on or after the due date and on which a penalty for non-payment is attached.

**Depreciation:** The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

**Designated Fund Balance:** Monies over the years that remain unspent after all budgeted expenditures have been made, but which are reserved for specific purposes and are unavailable for appropriation.

**Effectiveness Measure:** A performance measure identifying quality or extent to which an organization is obtaining its objectives (ex. percentage of yard waste/leaf collection points serviced on time).

**Efficiency Measure:** A performance measure identifying inputs used per unit of output, or unit costs (ex. cost per ton of yard waste/leaves collected).

**Encumbrance:** A financial commitment or earmark for services, contracts, or goods that have not as yet been delivered by a specified time frame, usually the end of the fiscal year.

**Enterprise Fund:** A fund that accounts for a governmental activities supported wholly or partially with user fees or charges and operated using business principles.

**Expenditures:** The measurement focus of governmental fund accounting identifying financial resources expended during a period for operations, capital outlay, and long-term debt principal retirement and interest. With the exception of long-term debt principal retirement expenditures, expenditures reflect the cost incurred to acquire goods and services.

**Expenses:** The measurement focus of proprietary fund accounting identifying costs expired during a period, including depreciation and other allocations as in business accounting. Expenses reflect the cost of goods or services used.

**External Agency:** A non-governmental agency, usually of nonprofit legal status, which may request public funds for use on programs benefiting social, cultural, or economic needs of the Town.

**FICA:** Social Security Tax paid by the Town for each permanent and temporary employee.

**Fiscal Policy:** The financial plan embracing the general goals and acceptable procedures for managing the City's financial resources.

**Fiscal Year:** A 12-month period of time, from July 1 through June 30, to which the annual budget applies.

**Fixed Asset:** An asset of long-term character. For budgetary purposes, a fixed asset is defined as an item costing \$5,000 or more with an expected life of more than one year.

**Fringe Benefits:** For budgeting purposes fringe benefits include employer payments for social security, retirement, group health insurance, life insurance, dental insurance, workers compensation, and travel allowances.

**Fiduciary Funds:** Funds used to separate, control, and track financial resources in which the government oversees as a third party, or on behalf of, another public entity. The four fiduciary fund



types include: 1) Agency Fund, 2) Pension Trust, 3) Expendable Trust, and 4) Non-Expendable Trust.

**Full Cost Accounting:** Type of accounting concerned with accumulating both direct and indirect costs for financial reporting and decision-making purposes. By using this accounting technique, the Town is able to assess the complete total cost of providing a service and its associated benefits.

**Full-time Equivalent (FTE):** An FTE converts the hours worked by a position into a percentage of a full year's number of hours. Generally, one FTE equals 2080 hours per year per permanent position (based on a 40hr. work week and a 52 week work year; does not include temporary part-time staff).

**Function:** A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a similar broad goal or major service. Examples of functions within the Town of Hillsborough include Public Safety, Public Works, and General Government.

**Fund:** A fiscal and accounting entity that has a self-balancing set of accounts recording cash and other financial resources, as well as related liabilities and residual equity. These are segregated to carry on specific activities or objectives in accordance with special regulations, restrictions or limitations as established by State and Federal governments.

**Fund Balance:** Amounts shown as fund balance represent a running total of monies over the years that remain unspent after all budgeted expenditures have been made. Generally speaking, fund balance includes reserve or "rainy day" monies. North Carolina General Statutes require general fund balance reserves of at least 8% of General Fund expenditures at the end of the fiscal year. The Board of Commissioners requires the Town to maintain a minimum 20% General Fund fund balance reserve with a target balance of 33%.

**Funding Sources:** Identifies fund(s) that will provide money for project expenditures.

**Goal:** A broad policy statement outlining the general direction or intent of an organizational unit's major activities within a medium-range time period, usually 3-5 years.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

**General Obligation Bonds (GO Bonds):** Bonds issued by a government that are backed by the full faith and credit of its taxing authority.

**General Fund:** A governmental fund used to account for all financial resources of the Town, except those required to be accounted for in another fund. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees and service fees.

**Governmental Funds:** Funds used to separate, control, and track financial resources of general government operations. The four governmental fund types include: 1) General Fund, 2) Special Revenue Funds, 3) Capital Projects Funds, and 4) Debt Service Funds.

**Grant:** A contribution by a government or other organization to support a particular function.

**Indirect Cost:** The component of the total cost for a service that is provided by and budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services such as those provided by the General Government Departments.

**Intergovernmental Revenues:** Revenues from other governments (State, Federal or local) that can be in the form of grants, shared revenues, or entitlements.

**Internal Service Fund:** This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, on a cost-reimbursement, or cost allocation, basis.

**Lease/Installment-Purchase Financing:** A method of purchasing equipment in which payments are spread over a period of time, usually 3-7 years. The purchased equipment serves as collateral.

**Line-Item:** A budgetary account representing a specific object of expenditure.

**Mayor:** An individual elected at-large for four-year terms to serve as chair the Town's governing body and the leader of the Town.

**Mission:** A broad statement outlining a department's purpose for existing.

**Modified Accrual Basis of Accounting:** Accounting method for governmental funds that recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period the fund liability is incurred, if measurable, except for unmatured interest on (and principal of) general long-term debt, which should be recognized when due.

**Objective:** Outcome-based statements that specify - in measurable terms - what will be accomplished within the budget year.

**Operating Budget:** A financial plan for the provision of direct services and support functions.

**Operations:** The portion of the budget pertaining to the daily operations that provides basic governmental services. The operating portion of the budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.

**Outcome Management:** A refinement of the Performance Management concept, Outcome Management is structured to place the focus on the end product, not the process. It is defined by high level, core outcomes that determine the service delivery components.

**Pay-As-You-Go (or Pay-Go):** Financial policy of a government unit that finances capital outlays from current revenues rather than from borrowing.

**Performance Based Budget:** A budget wherein expenditures, planning, and management decisions are based primarily upon measurable performance of activities.

**Performance Indicator:** A performance indicator is a measurement designed to determine whether or not a service objective has been met. It measures the effectiveness of achieving the objective or how well the objective has been accomplished.

**Performance Measurement:** The regular collection of quantifiable information regarding the results of town services. It includes the measurement of the kind of job we are doing and includes the effects our efforts are having in our community

**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.

**Policy:** A direction that must be followed to advance toward a goal. The direction can be a course of action or a guiding principle.

**Powell Bill Funds:** Funding from state-shared gasoline taxes that are restricted for use on maintenance of local streets and roads.

**Productivity Measure:** A performance measure combining efficiency and effectiveness measures into a single factor (ex. cost per ton of on-time yard waste/leaf collection)

**Program:** A well-defined portion of the operating plan for which a distinct set of goals and outcomes may be developed.

**Proprietary Funds:** Funds used to separate, control, and track financial resources of business-type activities carried out by a government. The two proprietary fund types include: 1) Enterprise Funds and 2) Internal Service Fund.

**Public Safety:** A group of expenditure related to the provision and enforcement of law enforcement, fire, disaster protection, traffic safety, and communication.

**Reappraisal:** 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.

**Reserve:** An account designated for a portion of the fund balance that is to be used for a specific purpose.

**Retained Earnings:** Amounts shown as retained earnings represent accumulated earnings of proprietary funds after all budgeted business expenses have been made.

**Revenue:** Funds the Town receives as income. It includes tax payments, fees for services, grants, fines, forfeitures and interest income.

**Revenue Bonds:** Bonds issued by a government that are backed by a specific revenue source – such as special assessments and water/sewer fees.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments. This term, also, does not refer to user charges for enterprise type services (i.e. water/sewer) or special or enhanced services or products benefiting a single party. See also "User Fees/Charges."

**Tax Levy:** The resultant product when the tax rate per one-hundred dollars valuation is multiplied by the total taxable valuation, or tax base.

**Town Manager:** An individual appointed at the discretion of the Mayor and Board of Commissioners to serve as the chief administrative officer of the Town.

**Special Revenue Fund:** A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

**Surplus:** The amount by which revenues exceed expenditures.

**Undesignated Fund Balance/Undesignated Retained Earnings:** The portion of a fund's unspent monies, or reserves that are not restricted for a specific purpose and are available for general appropriation.

**User Fee/Charge:** The payment for direct receipt of a service by the party benefiting from the service.

**Workload Measure:** A performance measure identifying how much or how many products or services were produced (ex. number of yard waste/leaf collection points served).

## **Common Budget & Performance Measurement Acronyms**

**CDBG** Community Development Block Grant

**CIP** Capital Improvement Plan

**FTE** Full-time Equivalent

**FY** Fiscal Year

**GAAP** Generally Accepted Accounting Principles

**GASB** Governmental Accounting Standards Board

**GFOA** Government Finance Officers Association

**GO Bonds** General Obligation Bonds

**NCGS** North Carolina General Statute

**ORFD** Orange Rural Fire Department

**PM** Performance Measurement