TOWN OF
HILLSBOROUGH
NORTH CAROLINA

FY2023-24 Manager's Recommended Budget

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Budget Message

TOWN OF
HILLSBOROUGH
NORTH CAROLINA

May 9, 2023

Honorable Mayor Weaver and Board of Commissioners:

Submitted is Hillsborough's FY24-26 Annual Budget Workbook. The budget is prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. As this proposed document is transmitted from the town manager to the Board of Commissioners, it now 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 new information becomes available and alternatives are considered. Town staff is ready to provide whatever information the board deems necessary to make well-informed decisions on the budget and financial plan. Therefore, the mayor, Board of Commissioners, advisory boards, and the community are encouraged to share their views regarding what should be funded or modified because this is ultimately your budget!

The multi-year forecasting component of this document, used since 1998, makes it easier to look forward and identify, address, and mitigate potential problems while they are still manageable. The plan allows readers to see how today's decisions affect the town's financial condition in the future. The financial plan acts as a "fiscal radar," giving Hillsborough more time and flexibility to proactively plan responses to problems and needs. Using only a one-year view from the annual budget, as most local governments do to manage operations provides little advanced warning of problems looming on the horizon. 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 fiscal and operational challenges facing the town.

Strategic Plan Progress. A strategic plan identifies an organization's top priorities then links those to implementation actions, performance measures, and timelines to monitor progress, identify successes, failures, and when adjustments to the course may be needed. The town's previous strategic planning format, "the balanced scorecard," was retired in 2019 after 11 years. Increasing and new challenges brought on by growth necessitated a change to develop a new format that is easier to follow and better focuses on the higher volume and complexity of Hillsborough's pressing priorities. Staff are continuing to work on plan development, making revisions based on feedback that was provided by the board at the budget retreat. An updated plan will be presented to the board in June.

Priority #1 in Developing the FY24-26 Budget & Financial Plan

"Taking care of what we have" has been the unofficial motto of the town board and staff for many years when making budget decisions. This refers to the town's infrastructure, equipment, buildings, employees, and systems. The town's mission, vision, strategic priorities, and objectives can't be implemented if these basic tools of service implementation are not in working order. 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 building capital assets and not adequately maintaining them.

Construction of new assets must be balanced with the personnel, equipment, and organization to operate and maintain them. This is critical in avoiding the overextension of resources. As shown in the image below, the American Society of Civil Engineers' most recent report card shows the poor state of our country's infrastructure. This is an excellent reminder to avoid the errors others routinely make in budget prioritization and ensure we are properly maintaining Hillsborough's assets!

Successful companies understand the importance of funding depreciation to save, set funds aside, or take other actions to not just maintain capital assets but to plan for their replacement. It's easy to ignore or forget about the thousands of miles of underground pipes, pump stations, wiring, and electrical systems for our water, sewer, and stormwater systems that are hidden from sight and thus easily forgotten. The same is true about the base layers of our roads, integrity of buildings, parks, trails, and other public assets. Many of the town's utility assets have exceeded their practical life and need replacement, which only gets more expensive the longer we wait. Many water, sewer, and stormwater assets are over 50 years old, with some being over 90 years of age, such as the Hasell Street water tank.

Failing to attend to these needs is like deciding not to replace the aging roof on one's home to save a few dollars today and ignoring the major financial risks and disruptions that come with such choices. Significant infrastructure failures of all types are now regular occurrences in the news. While "taking care of what we have" has provided helpful guidance, we are still lagging in addressing many capital needs. Thus, this financial plan (FY24-26) and capital improvement plan (FY24-30) include tens of millions of dollars to maintain the foundations of the town's operations, the water, sewer, and stormwater systems, as well as buildings and other critical assets.

Investing beyond physical assets. The past three years since COVID-19 started have highlighted the importance of being able to recruit and retain employees for the many unique skill sets involved in operating local government services. Difficulties in retaining employees and the ability to fill key positions with skilled and experienced people has become a national crisis in many occupational areas, from health care to restaurants, skilled trades, and many others. Local governments and the Town of Hillsborough have not been immune from this problem. The competition to retain and recruit talent has risen to levels never seen before and is driving salaries significantly higher. The town made mid-year salary adjustments in FY22 as a stop gap measure to buy time to complete a compensation and classification study, which was implemented in October 2022. This major investment was a big step in helping our ability to keep many of our talented employees as well as make new hires, both of which have been difficult to do in recent years.

Even though these positive steps were taken to not fall too far behind the market, neighboring competitors have continued to raise their salaries, thus this is an area we must closely monitor to avoid falling behind again and risk losing our biggest asset – employee knowledge, skill, and experience. Unfortunately, we have too many examples of the damage that can be done when key talent is lost, and critical skillsets are not adequately replaced.

Three Unique Challenges in Preparing the FY24-26 Budget & Financial Plan

The explanations below briefly explain some major complications that have made preparing this year's budgets more difficult than usual.

- ✓ FY22 Annual Financial Report (AFR or audit) is late and FY23 (current year) revenue and expenditure postings are just now catching up due to staff shortages and the focus on completing the FY21 audit, which was completed in January 2023. Budget staff just recently received the FY22 actual numbers which means there's been limited time to update and refine projections, as well as generate operational and financial strategies. The reasons for this are well known, the financial services department experienced significant staff turnover during the past two years. These gaps required the use of several interim directors, outside accounting and financial consultants, other departments assisting with finance operations, and existing staff taking on more responsibility that was often outside of their primary duties and experience. This created many gaps and delays in reporting. The town was placed on the Unit Assistance List (UAL) by the Local Government Commission in July 2022 since the audit had not been complete. Being on the UAL placed additional reporting and process requirements on the town. Many other local governments have found themselves in a similar situation due to the statewide shortage of accounting staff, finance directors, and auditors who can perform this specialized work. As a result, nearly 25% of units were on the UAL at one time. As of March 2023, 131 local government units still had not submitted their FY22 audits.

Good news - significant progress has been made in recent months. The FY21 Annual Financial Report (audit) was completed in January 2023 and the financial metrics looked strong. The FY22 audit is nearly complete and should be presented to the board shortly, likely at the June 12 board meeting. A new finance director with significant local government experience started in February, there has been no recent turnover within the financial services staff, the team has been gaining excellent experience, and the department is in the process of filling two final vacancies.

- ✓ Inflation, cost escalation of construction projects, and threat of a recession. Will it be a hard, medium, or soft landing as inflation reached a 40-year high a year ago? The rate of inflation has slowed the past year, but it is still around six percent. Regardless of commodity or service, prices continue to increase. This is reflected in many of the operational line items in the budget. One example is the cost of chemicals for the water plant that are projected to more than double, from $199,000 in FY23 to $425,000 in FY24. While that is just one line item in the town budget, inflation has had a major impact in many expense lines and departments. Local governments are regularly seeing bids on building construction, water, and sewer projects, and just about anything else, often doubling in cost over engineer's estimates. Estimating costs for projects today, much less three years from now, is problematic. If this trend continues, it could require a dramatic shift in operational and capital planning because the town would not be able to afford many of the items currently budgeted and forecasted. For example, if the River Pump Station bids come in at $17 million instead of the estimated $8.5 million, this will have a severe cascading impact on the ability to address the tens of millions of dollars of other system priorities.

- ✓ System Development Fees (SDFs) difficult to forecast. SDFs (formerly called capital facility fees) are paid by new development to help cover their fair share, volume, or equivalent impact on the capacity of a utility system's water and sewer capacity levels. This usually relates to the cost of improvements or expansion that have been made to a water plant, wastewater plant, reservoir, and other factors. The SDFs are calculated by engineering firms and updated every five years by state law. Uncertainty about when approved developments, such as the next phases of Collins Ridge and other projects will proceed and when those fees will be paid can have a significant impact on when the many capital projects get started and how they are paid (e.g., SDFs, savings, debt, or grants). Thus, the safest way is to delay forecasting these revenues until they are received or there is a high level of confidence when they will be available to pay for capital projects. As the town has learned in the past, a recession or troubles for a particular development can delay projects for years.

  While new developments can bring revenues, they also bring offsetting costs and operational complexities. SDFs from recently proposed developments would provide millions of dollars that are not included in the current forecast since it's too risky to do so at this time. As developments get approved or declined, staff can be more precise in determining how to use these funds to pay for capital needs and thus creating less reliance on rates for payment. The advantage of using SDFs strategically is that it can provide the option of paying cash for certain projects, not increasing the debt burden, and reducing pressure on rates to fund capital needs. Part of the seven-to-ten-year capital financing plan for water and sewer that staff will begin to work on after budget adoption is to develop options on how to best leverage all funds, including the significant amount of SDFs from future development that are needed to help pay for assets that were built to accommodate future growth and economic development.

Tax and Rate Highlights

- ✓ Property tax. ***No change – rate is recommended to remain at 58.7 cents***. If approved, this means there will have only been one property tax rate increase over the past 11 years, which was the two-cent increase earmarked annually for climate and sustainability priorities in FY22. This could change as a key decision point for the town board in this year's budget as well as over the next few years is determining how to fund the commitment to dedicate the equivalent of 2 cents on the tax rate ($326,000) towards affordable housing.

- ✓ Water rates. ***6% increase is recommended***. While the FY24 deficit is $1,612,045 with a 15.4% 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 and focusing on building a Capital Financing Plan for water and sewer once the budget and audit are completed in June. This will provide time to explore options to minimize future rate impacts, yet still make critical investments into the water and sewer systems. This is discussed further in the Water and Sewer Fund Highlights section below.

- ✓ Sewer rates. ***6% increase recommended.*** While the FY24 deficit is $696,214 with an 8.4% rate increase required 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 and focusing on building the Capital Financing Plan discussed above.

- ✓ Water & sewer minimum rates. ***Continues three-year (four fiscal year budget cycles) plan to decrease monthly charge from 2,500 to 2,000 gallons.*** This decreases the monthly minimum charge by 125 gallons per fiscal year. FY24 will be the next to last adjustment period with the minimum rate decreasing from 2,250 to 2,125. The town board made this 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 & 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 - 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 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, in FY24 when the minimum rate drops to 2,000, Hillsborough will be at the most equitable end of the range when it comes to this rate method.

- ✓ Stormwater rates. ***No change to the annual fee.*** A preliminary option was presented by staff at the budget retreat about the need to raise the annual fee and make changes to the rate structure to account for lots more accurately with larger areas of impervious surface. It's recommended to delay the stormwater increase and rate structure changes another year to provide more time to assess the costs of upcoming stormwater requirements as well as rate structure options. The fund will be operating at a deficit but there is sufficient fund balance to cover the gap for FY24.

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 being less than projected or with an actual surplus generated. With that said, the projected deficits in the General Fund are large enough to give me some pause 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 and over the next three years are as follows:

  - ✓ FY24 - $970,060 (5.9% deficit)
  - ✓ FY25 - $1,432,366 (8.7% deficit)
  - ✓ FY26 - $1,627,015 (9.5% deficit)

  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):

  - Fund balance level strong. Even with those levels of deficits, the fund balance at the end of FY26 or Year 3 of the Financial Plan is 43.1%. We don't want the savings level to drop that low and would take corrective action in advance since it's difficult and painful to correct a large deficit amount in one year. Still, the savings accrued during the recent COVID years provide a little cushion to use fund balance to address some high priority needs.
  - Stop, pause, cut, and defer expenses mid-year if needed. With the threat of a recession, it's important to time new hires, initiatives, and projects. Three of the new positions are scheduled as mid-year (January 1) hires. Thus, if the budget or economy is looking bad those positions can be deferred until FY25 or later. The same can be done with other items in the budget, whether it be small or large capital.
  - Continued growth should bring additional revenue. There are still about 800 residential units to be completed in Collins Ridge, along with about 442 units approved in the newly annexed Moren property off Old NC 86 adjacent to Waterstone, along with other pending developments. Working to minimize 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 Improvements Plan.
  - Sales tax elasticity. This revenue source is hard to project so it's always safest to be cautious. Almost no growth is projected during the three-year plan. If the economy is a bit better than projected, a small improvement can be a big help in reducing deficits.
  - Contingency increased. General Fund contingency is raised from $300,000 to $500,000 to provide some additional buffer. In recent years $300,000 has either been fully used or not enough. Inflation on various items has hit harder in recent years as things such as vehicle and truck purchases regularly come in higher than budgeted, so contingency has been used more frequently. The maximum level of contingency per fund is five percent, which would be about $800,000, so our contingency level is still modest for a budget this size.
  - Getting back on a regular audit cycle. As the financial services department is catching up, with a new finance director now on board, final vacancies being filled, and other internal improvements being made, there seems to

be a good probability we will have the FY23 audit completed well ahead of prior years and hopefully much closer to the Local Government Commission's official deadline of October 31. If concerns or issues are identified in the audit, such as revenues being down, expenses unexpectedly being high, and lower than projected fund balance levels, staff can make corrections before mid-fiscal year to cut costs in FY24 if needed.

- Multi-year financial plan. As mentioned on the first page of this message, one advantage of using the three-year budget and financial plan format is that it provides additional warning that corrections need to be made. Thus, when corrections need to be made in the scale or pace of how new expansion items are added into the budget the brakes can be pumped to slow or stop spending. While this year's budget includes and addresses many needs, next year's plan may have a very different approach.

✓ Passenger Rail/Multi-Modal Station. The station will also include town offices. Funding for this approximately $8 million project is in a separate project fund. The primary sources of revenue ($6 million) come from the State Transportation Improvement Program (TIP) and the NCDOT Rail TIP. The town will be responsible for any costs over that amount and for the cost of the town offices. The 30% plans are nearing completion. Construction is anticipated to start in 2025 and to be completed by February 2028.

✓ Ridgewalk Greenway Phase I Design - Downtown to Train Station. The FY24 cost is $209,003 with total design at $450,000 for this section. When fully completed the southern greenway system will pass through Collins Ridge, cross I-85 via a pedestrian bridge, and end at Cates Creek Park. A feasibility study and schematic design of the greenway is the necessary first step. If the project is found to not be feasible then funds for design and construction would not be needed.

✓ Ridgewalk Greenway Phase 1 – Start Savings to Pay for the Project. Begin by including $50,000 in the FY24 budget, then increase by an additional $50,000 annually over seven years to "ramp up" to reach the amount needed to make the yearly debt service payments of $582,771, over 10 years for this projected $4.5 million project expected to be completed in FY28. 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 in FY30).

✓ Skate Park at Cates Creek Park ($300,000). Construction was originally scheduled for FY25, but the town board requested this be moved up one year, if feasible. Design is currently underway and thus the project should be ready for construction sometime in FY24.

✓ Climate & sustainability. When adopting the FY22 budget, the town board directed that the equivalent revenue of approximately two cents on the property tax rate be saved and used to address climate and sustainability priorities. The FY23 and FY24 budgets also included the same level of funding to assist with priority implementation identified in the Comprehensive Sustainability Plan scheduled for adoption in mid-2023. Thus, there will be over $900,000 available for appropriation, if desired, in FY24. The Public Space and Sustainability Manager recommends that $600,000 be transferred to the Train Station Project Fund to pay for a solar array at the new train station. Sometime after the Comprehensive Sustainability Plan is adopted this summer there needs to be discussion about how to incorporate the plan's priorities into the town's Capital Improvement Plan (CIP), future budgets, as well as when and what to spend those funds dedicated to sustainability from the 2-cent earmark. This may be a major part of next year's budget process (FY25-27). Revenues from the 2 cents will be helpful but are likely just a small portion of the funding needed to implement top priorities from the Comprehensive Sustainability Plan.

✓ Affordable Housing. This is a top concern and challenge in many communities throughout the country. Just five 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 Affordable Housing Coalition in Orange County to help prioritize affordable housing in an on-going and meaningful way.

Funding in FY22 was $22,488 with $68,066 budgeted in FY23. FY24 funding requests have been received from the Partnership to End Homelessness (PEH) as well as the Inter-Faith Council (IFC) in Chapel Hill to support their shelter operations that are available to all in Orange County. The town board has also expressed a desire to retain the capacity to assist other entities in the creation of affordable units. Funds the town has used in the past to assist with various projects in Hillsborough are now exhausted, so rebuilding reserves to assist in this area is needed.

Key decision points for the board during the budget process include:

- How to reach the 2-cent equivalent?
    - One option is to absorb this expense in FY24 to avoid a property tax rate increase this year, start phasing in next year, or select one year to increase the property tax rate accordingly. This is an important point to resolve since the current budget is not capable of absorbing this expense without corresponding cuts, deferments, or identifying a revenue source such as raising the property tax rate to cover the $326,000 cost of the 2-cent commitment.
    - The budget includes a proposal to make annual steps to the 2-cent goal. FY24 includes a total of $100,000, then it increases by about $75,000 annually until FY27.
- Confirm or amend allocation to PEH of uncommitted FY23 funds ($43,292). A budget assumption to continue these funds was made since they already had an existing engagement with the town.
- Will FY23 funding be provided to IFC?
- What to do about FY24 requests from PEH (an additional $51,475) and IFC ($43,518)?
- How much and when to start allocating towards the "Affordable Housing Creation Reserves" for unit development in Hillsborough?

✓ Public Works facility and relocation ($4.52 million). After being in the flood plain, in substandard facilities, with no equipment shelters, and little storage for about 50 years, funds are allocated in FY24-26 to move the Public Works Division from their Dimmock's Mill Road location to the NC 86 North facility. Annual debt payments of $361,092 start in FY25.

✓ Fire protection contract with Orange Rural Fire Department (ORFD). Pay study results found ORFD salaries to be 15% below the market. Total cost of implementation is $275,598, with the town covering 50% ($137,799). In addition, the annual contract with ORFD increases by 8% for FY24. ORFD is experiencing the same challenges from inflationary cost impacts and growth as other entities.

✓ Downtown fire station. 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 approximately $5 million in three years. 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 is in the FY24 budget, $300,000 in FY25, and $375,000 in FY26, 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, then transition to funding 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, provides an Emergency Operations Center for the town, and allows the current station and downtown property to be redeveloped as part of a future economic development project. The process of selecting an architect to begin design could start as early as next summer (July 2024).

✓ Waterstone Drive repaving ($950,000). This represents about twice the annual cost to maintain the town's streets resurfacing cycle. It is less expensive to follow this cycle of repaving about five percent of the road miles as it prevents severe deterioration that costs even more to repair when delayed. The significant cost of this project is partially due to the length of four lane miles, because the pavement must be milled down so the new layer of asphalt will be even with the base of the curbing, and increased construction costs. The project should not be delayed since critical areas were patched in FY23, thus delaying the project means that work may need to be redone. All the anticipated Powell Bill fund balance (state gas tax savings - $473,000) will be spent to pay for the project and minimize the impact on the FY24 budget.

✓ Unified Development Ordinance re-write ($95,000). The town and development landscape has changed dramatically since the Unified Development Ordinance (UDO) was adopted in 2011. Development regulations have changed at the state level and the town knows a great deal more now about its capacity for future public water and sewer service extension and where we can and cannot reasonably grow. UDO regulations do not fully address traffic increases from development and developer responsibility for mitigation. The desire to be a more walkable, sustainable, connected community can only be achieved through revision of current development regulations to require the kind of development that we want to see.

✓ Support for Fairview Community Watch and Dorothy N. Johnson Community Center ($40,000). Building on the work of Fairview Community Watch, Habitat for Humanity and the UNC Community Practice Lab, staff are recommending $40,000 in one-time funding for FY24 as initial support for the *Vitalize* plan. A portion of the proposed funding, $34,000, will go towards improvements at the Community Center (classrooms, exterior improvements, operating costs) and $6,000 will go towards programming and community events. Staff received an additional request for $10,000 to support staffing for the

community center, but more discussion is needed before that request can be supported. A budget amendment may be pursued later in the year if needed.

- ✓ Accounting and finance software replacement. This has been scheduled for several years but not implemented due to staff shortages. In addition to the current software being outdated, several different systems are used for billing, accounting, purchasing, payroll, accounts receivable, and most do not integrate with the current software and many manual and other cumbersome methods of getting data into the General Ledger must be done. The annual cost of the new system is budgeted at $75,310 starting in FY24. This will significantly improve efficiency, reduce wasted time for the accounting division, all departments, audit and budget preparation, and improve the ability to review financial transactions.

- ✓ Replacing vehicles and equipment nearing the end of their useful life, ready for rotation to back-up duty, or disposal include the Public Works bucket truck ($154,506), the old rear-end loader garbage truck with a smaller more versatile and fuel efficient mini-garbage truck ($133,906), several police vehicles, automatic flagging system when crews are working in the streets, town hall roof replacement, HVAC unit replacements, and smaller items are included as well.

- ✓ Staffing Additions. All departments have struggled to keep up with the workload in recent years, the lack of redundancy has created some significant issues, especially during staffing shortages due to vacancies, illness, and vacation, including time to provide necessary training, and dealing with unexpected situations that continually arise. The significant population growth that pushed our small and quiet town of 6,000 to now over 10,000 between census periods, coupled with another 800 units still to be completed in Collins Ridge, the recent annexation of the Moren property that will add an estimated 442 residential units off of Old NC 86 adjacent to Waterstone, and the potential addition of the Capkov project would add 655 units plus commercial development on NC86 and adjacent to UNC Hospital. Plus, there are many other development proposals in the works, including the long-anticipated redevelopment of the Daniel Boone Property. Thus, it's critical that departments not fall further behind in attending to daily services and planning for the future. The following positions are proposed to be added to the General Fund. More details on the justifications for these additions can be found in the document.

  - Public Works Equipment Operator. The department has operated with a maximum of eight employees for over ten years. The Stormwater budget includes an operator for the second year of the financial plan (FY25), to assist public works in being able to perform more proactive maintenance on the town's drainage network. This will allow two full crews to work at times on drainage projects. Budgeted start date is January 1, 2024.
  - Planner II. Position is essential to move the following projects and others forward: Future Land Use Plan and map updates, Unified Development Ordinance re-write, Zoning Map to correspond with the updated future land map and UDO updates, downtown parking study, and master plan the train station site and determine if the project is best suited as public-private development project or a market rate project. Budgeted start date is September 1, 2023.
  - Police Officers – Patrol (2). Continuous absences due to parental leave, illness, training requirements, and vacancies regularly leave patrol rotations understaffed. This has resulted in the lieutenants spending about 60% of their time covering calls and thus not attending to primary duties such as staff development and administrative oversight. Budgeted start date is January 1, 2024.

Water & Sewer Fund: Unique Challenges Contribute to High Water and Sewer Rates

Hillsborough has high rates dating back to the year 2000, when simultaneously, the town started making large debt payments on the reservoir and lost its largest water user (Flynt Fabrics – a textile dying facility). Operating the water and sewer system is particularly difficult due to the unique challenges in Hillsborough. As a quick reminder, here are some factors that Hillsborough must deal with and pay for in managing its Water & Sewer Fund that many units do not:

- ✓ Reservoir – few units, especially smaller systems must build reservoirs to meet water demands. Many systems are located close to high volume sources such as rivers, lakes, or aquifers and thus do not need to make proportionally large investments to meet their water demands. Prior to the construction of the West Fork Reservoir, Hillsborough experienced severe droughts and water restrictions.

- ✓ Stringent state mandated rules to protect Falls Lake. Hillsborough is required to treat its wastewater at higher and more expensive standards than most other sewer systems in the United States. The town is located within a watershed that drains into Falls Lake, which is on the EPA's list of impaired waters and has been designated nutrient-sensitive by the N.C. Division of Water Resources. To protect and restore the lake's water quality, the state created the Falls Lake Rules, which

includes stringent rules for the release of treated wastewater. The expensive upgrade to the wastewater treatment plant in 2014 has added an additional $1.1+ million in annual debt payments that will not be retired until 2034.

- ✓ Large number of sewage pump stations. Hillsborough has far more pump stations per customer than a typical municipality because of its terrain and likely because the infrastructure was preferred decades ago due to its low upfront costs. Pump stations are expensive to operate, require a large amount of staff time, and must be repaired and replaced on regular cycles. Gravity lines require far less cost, time, and maintenance to operate.

- ✓ Small systems lack economies of scale. Larger systems can spread the costs of operations among more customers. This is one reason that many small systems choose to end operations and be served by larger systems if that is an option. Hillsborough did a joint engineering analysis with the City of Durham before the 2014 wastewater plant upgrade to determine if it was cost effective to be absorbed by their water and sewer systems. Due to the distance and other factors, it was still far less expensive for Hillsborough to maintain its own system and not be taken over by the City of Durham. OWASA is in a different drainage basin which is a major permitting hurdle, and the distance between Hillsborough and Chapel Hill-Carrboro also makes getting service from their district not practical.

- ✓ Age of the system. Many parts of the water and sewer system are over 50 years old and overdue for replacement, including water and sewer mains, the larger sewer lift station (River Pump Station). Many of the assets downtown are over 90 years old, such as the Hasell Street water tank along with many of the fire hydrants and valves. These and other aging assets represent significant risks for failure and system outages and environmental damage from sewer leaks, spills, and overflows the longer we wait to replace these lines and stations. While pressure from growth is a major factor on cost, many of these projects must be done relatively soon due to system age, such as the tens of millions of dollars in wastewater collection system needs and replacing miles of the 50-year-old asbestos-concrete water line running along Business Highway 70 that's also our main supply line for emergency water to and from the City of Durham.

- ✓ Growth pressures are overtaxing parts of the water and sewer systems. Proposed developments that are coming in faster and larger than the town has planned for are revealing pinch points in the system that do not allow adequate sewer or water to flow to and from the water and sewer plants to new developments. Many of the choke points are very expensive to address and may require the town to consider ceasing development or temporary moratoriums in certain areas of town. Failure to move forward with some key projects soon will likely result in some sort of development pauses. The town simply cannot afford to address the many needs in all areas of town at once, thus it's going to take time, and require prioritization to make improvements.

One time funding sources being leveraged to pay capital needs in FY24-26

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. The town has elected to use its entire ARPA allocation on water and sewer capital projects since 1) monthly water and sewer bills disproportionally impact lower income households and 2) this benefits all customers by using this source to help pay for much needed capital projects and repairs. The town has also been submitting grant and loan interest applications. In addition, some use of savings is projected to cover projected deficits in coming years. The purpose of highlighting these one-time revenues is to show what is being paid for with non-operating (i.e., not from rates) revenue, and that we must be careful to not get dependent on these sources as they are temporary, not sustainable, often go away quickly, and thus should be limited to funding capital items and not operating expenses! A summary of these revenue sources and potential sources is below:

- ✓ American Rescue Plan Act (ARPA): *$2.28 million* will be spent from FY23 – FY25.
- ✓ Water – SDF's (collected): *$845,299* for US-70 water improvement project.
- ✓ Sewer – SDF's (collected): *$1.03 Million* for collection system rehab.
- ✓ Sewer – Capital Facility Fees: *$327,386* for the River Pump and Elizabeth Brady Pump Station projects.
- ✓ 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: $915,460 to help pay the grant match for the River Pump Station Project.
- ✓ 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 FY24 and beyond.

Water & Sewer Fund Highlights

- ✓ Financial Overview. Please see page 77 of the budget that shows the breakdown of deficits in more detail, separated by water and sewer operations, as well as the continuation and expansion budgets. The deficits in the Water and Sewer Fund are concerning, especially since rate increases are needed just to fund the continuation budgets due to various increases in operations. You'll notice the deficits are larger on the water operations. This coupled with significant capital needs (about $25 million over the next three years and more after that) means there will likely be healthy rate increases for several years. These increases even consider the significant use of one-time revenues from grants, system development fees, and other sources. Staff will continue to refine the schedule of capital projects to look for 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. Unfortunately, most of these projects are overdue and need to proceed in the near future. The following are the current total deficit projections:

  - ✓ FY24 - $1,660,259 (11.6% deficit)
  - ✓ FY25 - $1,785,842 (12.6% deficit)
  - ✓ FY26 - $2,317,848 (15.0% deficit)

  These deficit amounts need to be addressed to continue maintaining a fiscally strong position as 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 revenue expansion. The 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.

  Thus, the next step after budget adoption and coincidentally receipt of the FY22 audit that is likely at the June 12 meeting, is to convene a team of the town's key finance, budget, and utilities staff to further review the budget, three-year plan, and seven-year CIP to work towards developing a Capital Financing Plan. This will develop options and next steps on how best to proceed with funding water and sewer operations, as well as how and when to pay for high priority capital needs (e.g., cash, reserves, system development fees, installment-purchase agreements, revenue bonds, and rate adjustments). This will likely require acquiring the services of firms that specialize in utility system operations, rate setting, debt financing, and more. The town has prior and existing relationships with firms that do this type of analysis. The goal is to have this information to assist with the FY25-27 budget and rate setting process.

- ✓ River Sewer Pump Station Replacement ($4.74 million). The largest of the two sewer pump stations feeding the wastewater plant is over capacity during times of high flow, is nearly 50 years old, and is in such a state that an entirely new station must be constructed soon. The town received a 70% grant, or $5.81 million for this project. A major concern is that utilities projects have been coming in much higher, often double engineers' estimates. The total cost of project is estimated at $8.2 million.

- ✓ OWASA Booster Pump Station for Emergency Water Supply ($1.58 million). Grants have been received that will cover about $1 million of the cost. This project is to build a booster pump station to receive water more quickly and in higher volume from OWASA in times of need to provide system redundancy to the entire town. When the town created its south pressure zone, it rendered the existing booster station obsolete as that station was for our central pressure zone.

- ✓ Adron Thompson Facility Repairs and Upgrades ($3 million). Design has begun and the first debt payment is not anticipated until FY25. This long overdue project addresses serious deficiencies with this facility in terms of safety, lack of restroom facilities, space needs, and more.

- ✓ Exchange Club Sewer Interceptors Design ($190,000). This line was installed in the early 1970s and 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. Cost of this project scheduled for FY26 construction is $1.27 million.

- ✓ Elizabeth Brady Road Pump Station and Force Main Upgrade Design ($300,000). Construction on this $4.15 million project is tentatively scheduled for FY25. 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 being implemented now. However, the level of development discharging to this station is much greater than this quick upgrade option which will only hold steady for a few years, if that long. A developer is proposing consolidating two to three existing sanitary sewer pumping stations (Woods Edge Front, Woods Edge Back, and Nazarene) in to a new, larger pumping station. The larger pumping station would be sized for the future buildouts of the basin serving the existing stations to be abandoned as well as the new, proposed development. 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, enabling 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 to the existing force main to the wastewater treatment plant to ensure efficient pumping station operations.

- ✓ Eno River Sewer Interceptors. While there are no expenses budgeted for FY24, this project will have a big impact on the three-year financial plan. The $5 million replacement of this 1970's era sewer main that runs from the River Pump Station to Churton Street is scheduled for FY25. There is $750,000 for design in FY23 that is currently taking place. In addition to being old, the line is too small, is in poor condition, has never had a significant rehabilitation, the manholes are brick and subject to inflow and infiltration, and the concrete pipes suffer from deterioration due to hydrogen sulfide gas. Sewer currently comes within two feet of the manhole covers during peak flows.

- ✓ Fire Hydrant and Valve Replacement Project ($200,000 in FY24 as part of $945,000 project over 4 years). Replace about 150 obsolete fire hydrants dating back to the 1930's and install valves on the hydrant legs where needed in the central pressure zone. Install new valves and piping where redundancy study recommends. Adding valves in locations recommended in a recent system analysis minimizes the number of customers out of water during various line break scenarios.

- ✓ US 70 Business Water Main Improvement and Replacement Project Design ($275,000). Construction on this $1.62 million project is scheduled for FY26. Replaces the old asbestos-concrete line that's almost three miles long, prone to breaking due to the material, and serves as the interconnect with Durham for emergency water. There are other key benefits to the project including pressure and redundancy improvements. This is a multi-year, two phase project to 1) 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 and 2) 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. The cost for phase II, scheduled for FY27, is $1.35 million.

- ✓ Smaller Maintenance, Repair, Replacement Projects/Equipment, Engineering Reports, and Staffing
  - Sewer hydraulic model scenarios ($40,000). Updates the collection systems model to accurately identify problems and potential problems related to flow from newly proposed developments.
  - Increased GIS services ($50,000) to maintain system mapping.
  - Water Plant disinfection process evaluation ($60,000). Evaluate switching from gaseous to liquid chlorine to improve safety and reduce operational costs.
  - Water & Sewer Air Release Valve Replacements ($29,074 in FY24, then $75,000 each of the next two fiscal years). Replace old, obsolete water and sewer air release valves (ARVs). Install new air release valves where needed to enhance system performance. An automatic air release valve provides a critical role in pressurized piping systems such

as our water system and sewer force mains. Air trapped in a pipeline will naturally rise and collect at high points within the system. This trapped air can cause pump failures, faulty instrumentation readings, corrosion, flow issues, and water hammer and surge issues.

- Water main rehabilitation and replacement ($80,000). Replacing lines as identified in the recent leak detection project in conjunction with analyzing pipe type, average installation date, length of pipe in the system and historical breaks and rates among other attributes, the failure ranking of galvanized and cast-iron pipes are the greatest.
- Wastewater master planning optimization ($100,000). Provides a roadmap for the future Wastewater Treatment Plant Phase II Upgrade. The master plan will identify alternative treatment technologies and other options to continue compliance with the Falls Lake Rules stringent nitrogen requirements. Compliance with the rules will get increasingly difficult as the town's population grows. The Wastewater Treatment Plant Phase II Upgrade is currently estimated at $34 million. An in-depth analysis of all options will be critical to ensure that the most cost-effective path to compliance is identified and planned for implementation.
- *Utility mechanic (wastewater collections)*. Needed to keep up with workload, provide relief to current staff who are frequently on-call after hours, attend to significant system maintenance, monitoring, repair, and reporting requirements. It takes new staff, even with prior experience in other locations, significant time to learn the town's systems and be able to respond effectively during emergency situations. Thus, having sufficiently trained staff is essential during times of transition, vacancies, and succession planning.

Stormwater Fund Highlights

- ✓ *New equipment*. An additional mini-excavator and trailer ($75,000) allows for two public works crews to perform stormwater/drainage projects simultaneously. This maximizes time efficiency when operating with so few employees.
- ✓ *Increased catch basin maintenance ($25,000)*. The use of a contractor to clean out the basins annually not only frees staff to work on other projects but delays or negates the need to purchase a very expensive JetVac truck.
- ✓ *Stormwater technician.* Mid-year addition to keep up with workload, more details are shared in the narrative below.
- ✓ *Delay rate increase and fee structure updates one year.* This provides further time to analyze revenues, expenses, proposed rate structure changes, and costs associated with pending requirements from the Falls Lake Rules and Upper Neuse River Basin Association, such as complete water quality and watershed improvement projects.

For FY24, the proposed Stormwater Fund budget includes several expansion items, including the mid-year creation of a stormwater technician position, the purchase of a mini excavator and trailer, and recurring contract service funding for catch basin maintenance. In the planning years, there is also a proposed addition of an equipment operator position mid-year in FY25. These proposed additions are the result of system assessments and the creation of an Operations and Maintenance Plan (OMP) intended to keep the town in a proactive position regarding the maintenance of ditches, stormwater control measures, and other parts of the town's stormwater infrastructure. The stormwater technician will assist with inspections, neighborhood evaluations and other tasks as advised by the town's upcoming state stormwater permit audit, and the equipment, contract services and future staff expansion will provide the resources to address issues identified by the inspections, evaluations, and audit. These additional staff positions will also help maintain the existing staff capacity for serving in technical advisory roles on regional partnerships and as an educational and outreach resource for town residents.

These expansions will put the Stormwater Fund in a deficit position of approximately $300,000 per year, which can be absorbed in FY24 due to accumulated fund balance but will necessitate future rate increases. At the January budget retreat, staff indicated a rate increase and adjustments to the current tier system for FY24 was likely, but due to other proposed revenue changes and the accumulated fund balance, the recommendation is to defer the rate increase to next year.

Along with a likely rate increase in FY25, between this budget and next year's proposal staff will further model a plan for smaller ongoing rate increases to avoid large rate adjustments in the future. In addition to the ongoing deficit, the need for ongoing rate increases will be driven by the readoption of the Falls Lake Rules. The readoption of these rules is anticipated to include an expanded version of the current Upper Neuse Basin Associations (UNRBA) Interim Alternative Implementation Approach (IAIA) joint compliance program. This program is an investment-based approach that currently requires the town to complete water quality and watershed improvement projects. The expanded joint compliance program under the future re-adopted Falls Lake Rules is expected to require increased investment in water quality and watershed improvement capital projects which are not currently funded in the proposed budget.

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. Staff continue to monitor what other local governments in our market plan to do for employees in terms of merit and COLA and will bring back a final recommendation for the June 12 meeting. This will provide enough time to get an accurate survey of what others in the market are doing to help determine what compensation adjustments should be made for FY24. As placeholder figures the draft budget includes the same average raise and COLA amounts used for this fiscal year, FY23 (e.g., 3.25% average merit increase for employees with a range of 2.25% to 4.5%, and a flat $1,000 per employee COLA). These placeholder figures may be sufficient, but we need to be prepared to increase one or both areas depending on the market survey results.
- ✓ Health insurance. There will no increase to the town's health insurance coverage this year.

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 or 919-296-9427), Budget & Management Analyst Josh Fernandez (josh.fernandez@hillsboroughnc.gov or 919-296-9428), or Administrative Services Director Jen Della Valle (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

Eric J. Peterson
Town Manager

Emily H. Bradford

Emily H. Bradford
Budget Director

Jenifer Della Valle

Jen Della Valle
Administrative Services Director

Budget Summary & Information

Manager's Recommended Budget

Fiscal Year 2023-24, effective July 1, 2023

GENERAL FUND: $16.5 MILLION

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

WATER & SEWER FUND: $14.3 MILLION*

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

STORMWATER FUND: $992,000*

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

* Enterprise funds: No profits made. Revenue used for no other purpose.

RATES AND FEES

- **No change** to property tax rate of 58.7 cents per $100 of assessed value.
- **Increase** to water and sewer rates of 6% each.
- **Decrease** to monthly minimum usage charged to utility customers by 125 gallons.
- **No change** to stormwater fee.

HIGHLIGHTS

- Increase annual payments for fire service from Orange Rural Fire Department by 8% this year with an additional $137,799 to implement market-rate compensation adjustments. Cost includes contract with Orange County for fire inspections. FY24 cost: $1.98 million.
- Build funds for construction of a fire station at 604 and 618 N. Churton St. FY24 cost: $225,000.

- Provide funds for moving staff and equipment to the N.C. 86 North facility and for constructing storage buildings. FY24 cost: $4.52 million.

- Repave Waterstone Drive, which consists of four lanes, making it a large resurfacing project. Fund balance from the State Street-Aid Program (Powell Bill) would be used to cover about half the cost. FY24 cost: $950,000.

- Continue general maintenance of the former police substation and assist Fairview Community Watch in making improvements for community use of the building. FY24 cost: $40,000.

- Pay debt service on past, major utilities projects and pay design and construction fees on new ones:
  Hasell Water Tank engineering — FY24 cost: $40,000.
  Water and sewer air release valves— FY24 cost: $150,000.
  Fire hydrants and valves replacement — FY24 cost: $200,000.
  Elizabeth Brady pump station design — FY24 cost: $300,000.
  Exchange Club interceptors design — FY24 cost: $190,000.
  River Pump Station replacement — FY24 cost: $4.74 million.
  U.S. 70 Business Water Main design — FY24 cost: $275,000.

- Provide merit raises averaging 3.25% and $1,000 cost of living adjustment (placeholder).
- Add planner II, public works equipment operator and two police officers. FY24 General Fund cost: $308,817.
- Add utility mechanic to wastewater collection crew to provide relief to existing staff and to attend to system maintenance. Includes vehicle purchase in first year. FY24 Water and Sewer Fund cost: $119,515.
- Add stormwater technician mid-year to keep up with workload. FY24 Stormwater Fund cost: $39,961.

General Fund

General Fund

FY2024 Operating & Capital Budget

Revenues

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Property Tax	$9,101,119	$9,787,050	$9,947,300	$10,128,300	$10,313,300
Sales Tax	$2,868,883	$3,026,000	$3,026,000	$3,026,000	$3,026,000
Intergovernmental	$1,438,660	$1,447,024	$1,484,489	$1,484,389	$1,408,000
Fund Balance Appropriated	$0	-$1,493,288	$1,443,060	$1,432,366	$1,627,015
Other	$89,439	$1,246,417	$253,245	$119,485	$119,485
Licenses/Permits/Fees	$168,976	$123,200	$117,500	$117,500	$117,500
Interest	$33,284	$196,000	$100,000	$100,000	$100,000
Interfund Transfers	$0	$0	$150,000	$0	$360,000
Restricted Revenue	$355	$0	$0	$0	$0
TOTAL	**$13,700,718**	**$14,332,403**	**$16,521,594**	**$16,408,040**	**$17,071,300**

Expenditures

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Function					
Public Safety	$5,110,995	$5,576,638	$6,359,393	$6,581,454	$6,542,316
General Government	$2,685,928	$4,504,350	$4,691,670	$4,474,541	$4,646,558
Public Works	$2,296,467	$3,003,783	$2,877,200	$2,501,957	$2,833,375
Transfers	$1,309,270	$981,970	$1,457,003	$1,411,355	$1,361,000
Special Appropriations	$226,276	$259,652	$620,768	$923,114	$1,182,432
Non-Departmental	-$8	$0	$500,000	$500,000	$500,000
Economic Development	$607,716	$0	$0	$0	$0
Cemetary	$9,277	$6,010	$15,560	$15,620	$5,620
FUNCTION TOTAL	**$12,245,920**	**$14,332,403**	**$16,521,594**	**$16,408,040**	**$17,071,300**
TOTAL	**$12,245,920**	**$14,332,403**	**$16,521,594**	**$16,408,040**	**$17,071,300**

Financial Summary

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Revenues	$13,700,718	$14,332,403	$16,521,594	$16,408,040	$17,071,300
Expenses	$12,245,920	$14,332,403	$16,521,594	$16,408,040	$17,071,300
REVENUES LESS EXPENSES	**$1,454,797**	**$0**	**$0**	**$0**	**$0**

Fund Balance

	FY22 Actual	FY23 Estimate	FY24 Budget	FY25 Projection	FY26 Projection
Fund Balance Appropriation		($1,596,488)	$970,060	$1,432,366	$1,627,015
Balance	$9,793,911	$11,390,399	$10,420,339	$8,987,973	$7,360,958
FUND BALANCE %	**80.0%**	**79.5%**	**63.1%**	**54.8%**	**43.1%**

Funded Requests

FY2024 Operating & Capital Budget

General Fund

Department	Request	Description	FY24...	FY25...	FY26...
Administration	Intern & Fellowship Programs	$45,832/yr 1 total impact. Restarts internship and fellowship program. Lead for NC Fellowship in partnership with UNC School of Government.	21,999	21,894	21,894
Administration	OneOrange Countywide Equity Initiatives	$20k/year total impact. Hillsborough share of Orange County program for promoting equity in local government.	9,600	9,600	9,600
Accounting	Training	$5k/yr total impact. Provides ongoing training opportunities for Finance staff.	2,400	2,400	2,400
Accounting	Accounting Assistance	$40k/yr total impact. Maintains finance and accounting consultation with private professionals.	19,200	-	-
Planning	Parking Study	$75k (split $60k MPO / $10K TOH / $5k Tourism). Engage a consultant to undertake a parking study for the downtown area using MPO, general fund, and tourism funds.	10,000	-	-
Planning	Planner II	Addition of position to assist with Planning workload.	70,179	79,723	80,396
Planning	UDO Rewrite	Contract with private firm to re-write UDO.	95,000	-	-
Facility Management	ADA Compliance Assessments	$20k total impact. Assess ADA compliance of town facilities through contract.	13,000	-	-
Facility Management	LED Light Replacements in Administration and Annex Buildings	$5,500 total impact. Materials and installation of LED lights.	3,575	-	-
Facility Management	Backflow Preventer Annual Testing	$4k/yr total impact. Testing of backflow preventors at town facilities.	2,600	2,600	2,600
Facility Management	HVAC Duct Cleaning	$73k total impact. Duct cleaning at town facilities.	-	47,450	-
Facility Management	Pressure Washing & Gutter Cleaning	$9k/yr total impact. Pressure washing and gutter cleaning at town facilities.	5,850	5,850	5,850
Facility Management	HVAC Replacements	$52,800 total impact. HVAC replacements at Ruffin Roulhac House.	34,320	-	-
Public Space	Interpretive Signs	Three new signs in FY25; content pending.	-	12,000	-
Public Space	Ridgewalk Greenway - Phase I	Use $391,358 in reserved debt capacity and $58,642 from ramp-up to offset impact. Amount equals use of FY24 & FY25 reserved funds.	-	-	-
Public Space	Ridgewalk Greenway - Phase I Debt Service Ramp-Up	Annual debt payments will of $582,771 begin in FY28. A portion will be covered via reserved Parks debt capacity from retired parks debt, leaving $350k in new debt capacity needed. Ramp up by $50k/yr for 7 years to reach total det service amount. Banked ramp-up funds can be used to offset payments until the full debt service amount has been reached.	50,000	100,000	150,000
Public Space	Skate Park	Construction of skate park at Cates Creek Park and additional town maintenance/insurance.	300,000	5,300	5,300
Safety & Risk Management	Replace Auto Flaggers	$26,055 total impact. Replacement of auto flaggers used for traffic control.	12,506	-	-
Information Technology	Fiber Internet Service	$37,500 yr 1 total impact. Fiber internet service at Police HQ, Town Hall Campus/Annex, NC 86 Facility, and Wastewater Treatment Plant.	18,000	19,440	19,440
Information Technology	Unified Security System	Replace non-compliant building access and security camera systems with a centralized system. (FY24-$75k, FY25-$25k, FY26-$25k)	36,000	12,000	12,000
Police	Additional Handheld Radios	Spare radios for coverage when others are repaired or reprogrammed.	24,200	-	-
Police	Patrol Officers	Addition of two Police Officer positions.	201,222	161,076	162,682
Police	Property Room Organization & Expansion	Storage systems for property room at Police HQ.	35,000	-	-
Police	Radio Upgrade	Update radio software	-	82,000	-
Police	Replace In-Car Cameras	Phase in replacement	-	100,000	-
Police	Replace Vehicle #194	2010 Charger w/120k miles (Patrol)	51,500	-	-
Police	Replace Vehicles - TBD	Replace one vehicle per year	51,500	103,000	103,000
Police	Social Worker	Grant for first 2 years to cover most expenses, TOH to pay full cost of position starting in FY26	10,706	5,722	82,785

Police	Senior Management Training	Send an officer to advanced leadership and administrative training as part of succession planning.	8,000	-	-
Police	Sworn Officer Psychological Care	Provide paid time for sworn officers to attend required annual psychological appointments, including travel/mileage.	13,500	13,500	13,500
Fire Protection	ORFD Pay Study	Plug figure to fund pay study implementation.	137,799	144,689	151,923
Fleet Maintenance	Portable Scales	$5,000 total impact. Scales to weigh vehicles before putting on Fleet Maintenance lift system.	2,963	-	-
Fleet Maintenance	Hybrid Police Vehicle Training	Provide Fleet Maintenance training on hybrid vehicle maintenance.	-	6,000	-
Fleet Maintenance	Vehicle Repair - F-450 Trucks	$30k/yr total impact(W&S Fund Only, no cost to GF). Additional funds for maintenance on Utilities fleet.	-	-	-
Fleet Maintenance	Vehicle Repair - Vactor Truck	$20k/yr total impact(W&S Fund Only, no cost to GF). Additional funds for maintenance on Utilities fleet.	-	-	-
Streets	Bucket Truck Replacement	Replace 1999 truck with one that has a longer boom. $154,506 ($150k - Truck, $4,506 - tax/tags); cost offset by $150k allocation from Streets Vehicle Reserve	4,506	-	-
Streets	Equipment Operator I	Add position to meet growth demands	37,416	72,784	73,425
Streets	NC86 Renovation	FY24-rental trailer, FY25-First debt payment.	22,000	368,092	361,092
Streets	Public Works Intern	12 weeks during the summer.	8,109	8,109	8,109
Streets	Truck #214 Replacement	Current mileage over 100,000	-	67,000	-
Streets	Waterstone Drive Resurfacing	$29k additional funds needed (Project total: $950K - $180k annual Street resurfacing allocation, $268k annual Powell Bill allocation, $473k Powell Bill reserves, $29k additional Streets allocation)	29,000	-	-
Solid Waste	Small Rear Loader	Replace current rear loader with a smaller more nimble option. Will help with collection of downtown and park trash. Purchase of truck will largely be offset by selling existing truck and old leaf, garbage and brush trucks. No additiional cost to GF.	-	-	-
Solid Waste	Garbage Truck Replacement	Fund in FY26 and either pay cash using reserved SW debt capacity	-	-	-
Cemetery	Stone Wall Repair	Repair stone wall at Old Town Cemetery	10,000	10,000	-
Special Appropriations	Passenger Rail/Multi-Modal Station	Finance $2.55M @ 5% for 20 yrs; anticipate first payment in FY25	-	204,619	204,619
Special Appropriations	Digital Message Board	Mobile sign for announcing road closures, emergencies, etc.	20,000	-	-
Special Appropriations	Fairview Community Watch	Facility improvements and programming.	40,000	-	-
Special Appropriations	Affordable Housing Ramp-up to 2-Cents	Gradual increase of town allocation towards affordable housing initiatives.	32,884	107,887	182,884

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Unfunded Requests

FY2024 Operating & Capital Budget

General Fund

Department	Request	Description	FY24...	FY25...	FY26...
Administration	Recruitment Video	$6k total impact. Updates recruitment video in partnership with private production company.	2,880	2,880	2,880
Planning	Code Enforcement	$50k per year impact FY24-26. Code enforcement contract.	50,000	50,000	50,000

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General Government

Key Operations

The 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.

FY23 Major Accomplishments

- Implementation of Municode Meetings Agenda Management Software.

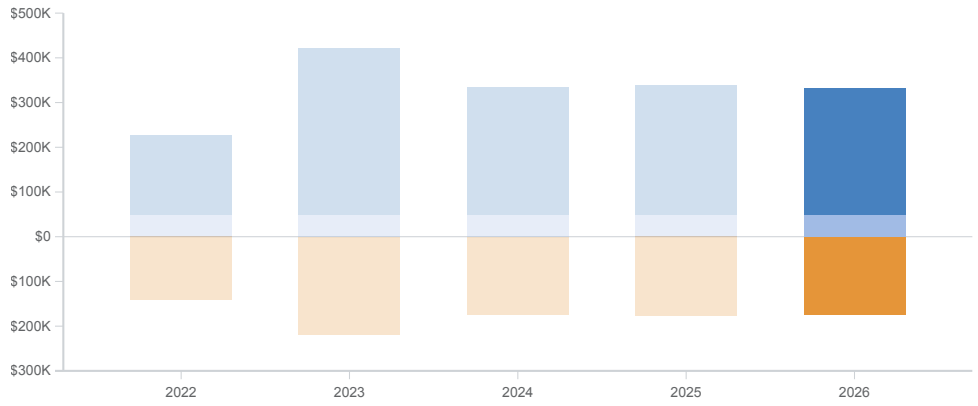
FY24 Major Budget Changes

- N/A

Financial Forecast

- N/A

Expenditures by Category



$160,183.30
Expenses in 2026

Department Expenditure Summary

10-10-4100 - Governing Body

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$176,789	$373,768	$287,109	$290,309	$285,609
Personnel	$48,257	$48,107	$48,106	$48,106	$48,106
Cost Allocations	-$142,538	-$219,375	-$174,312	-$175,976	-$173,532
TOTAL	**$82,507**	**$202,500**	**$160,903**	**$162,439**	**$160,183**

Key Operations

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, employee benefits administration, 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, agenda preparation for board meetings, public information, and website maintenance. The town manager is responsible for the day-to-day operations of the town.

FY23 Major Accomplishments

- Developed FY24-26 Strategic Plan.
- Reestablished community engagement program, rebranded as 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.
- Provided foundational racial equity training to all town employees.

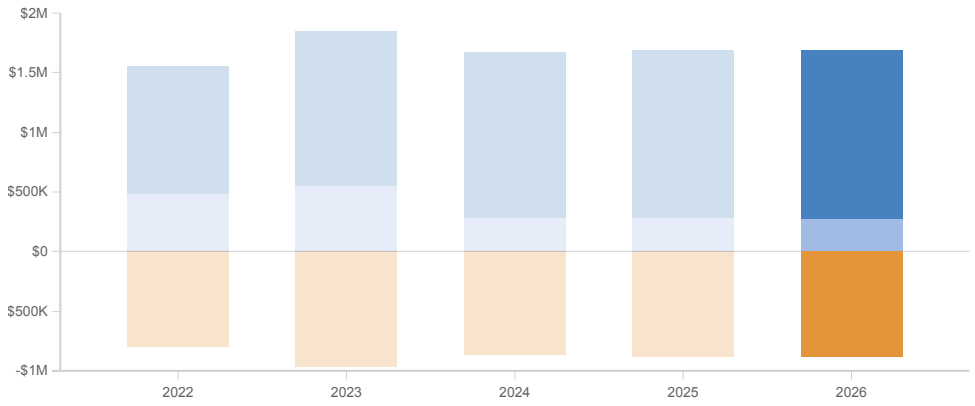
FY24 Major Budget Changes

- Contracted out website maintenance and development in FY23. Funds are requested in FY24 for website development.
- Fellowship position requested to provide additional support to Administrative Services Department as well as other departments as needed.

Financial Forecast

- No requests of significance projected for FY25 and FY26.

Expenditures by Category



$807,376.08
Expenses in 2026

Department Expenditure Summary

10-10-4200 - Administration

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$1,074,630	$1,298,142	$1,390,356	$1,402,245	$1,412,530
Operating	$479,182	$556,050	$282,119	$285,061	$269,504
Cost Allocations	-$798,534	-$964,180	-$869,687	-$877,399	-$874,657
TOTAL	**$755,279**	**$890,012**	**$802,788**	**$809,907**	**$807,376**

Accounting

FY2024 Operating & Capital Budget

Key Operations

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.

FY23 Major Accomplishments

- Completed FY21 and FY22 audits. Audit completion had been delayed due to staff shortages.

FY24 Major Budget Changes

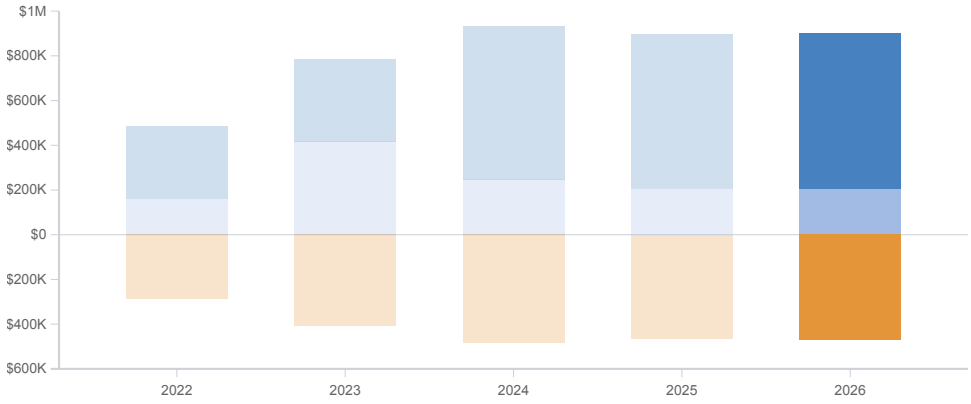
- No major changes.

Financial Forecast

- No major changes.

Expenditures by Category

Data Updated May 10, 2023, 9:57 AM



$433,210.02
Expenses in 2026

Department Expenditure Summary

10-10-4400 - Accounting

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$325,073	$370,795	$686,435	$692,768	$697,443
Operating	$158,506	$416,798	$246,163	$205,078	$205,078
Cost Allocations	-$289,201	-$409,548	-$484,951	-$466,880	-$469,311
TOTAL	**$194,378**	**$378,045**	**$447,647**	**$430,966**	**$433,210**

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Planning

FY2024 Operating & Capital Budget

Key Operations

The Planning Department facilitates public interaction and participation in development review through advisory board membership, public meetings, hearings, and one-on-one communication. The primary function is development plan and permit review by staff and advisory boards. The department 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.

FY23 Major Accomplishments

- Annexed and zoned approximately 80 contiguous acres into town limits.
- Hired and trained a new Planner/HDC staff person.
- Developed a Planned Development conditional zoning district.
- Worked with Public Space on the research and development of the Comprehensive Sustainability Plan.
- Digitized, converted to fillable, and updated all permit applications to new town branding standards.
- Scanned, digitized and filed older large format plan sets for future use and records retention.

FY24 Major Budget Changes

- Update parking study last completed in 2010. The town has grown and changed considerably since that time and the visitors, residents, and business owners would like the town to revisit downtown parking stock.
- Add a Planner II position September 1, 2023. Adding this position will help build staff capacity to address various needs including updating the Future Land Use Plan and map, re-writing the Unified Development Ordinance and potentially updating the Official Zoning Map to correspond with the updated future land map and UDO updates, work with a consultant to conduct a downtown parking study, and master plan the train station site and then determine if the project is best suited as public-private development project or a market rate project.
- Update the Unified Development Ordinance to reflects changes in state regulations and the development landscape since last updated in 2011.

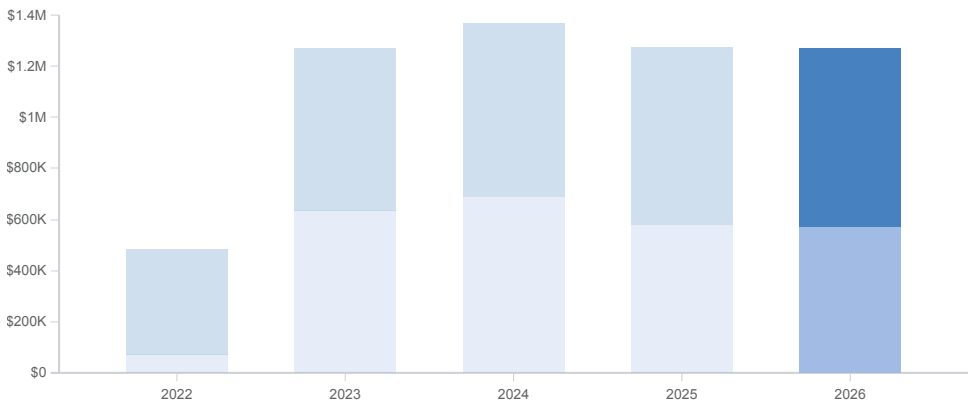
Financial Forecast

- N/A

Expenditures by Category

10-10-4900 - Planning

Data Updated May 10, 2023, 9:57 AM



$1,269,740.55
Expenses in 2026

Department Expenditure Summary

10-10-4900 - Planning

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$407,574	$634,355	$677,813	$695,748	$701,271
Operating	$75,120	$636,698	$688,339	$577,520	$568,470
TOTAL	**$482,694**	**$1,271,053**	**$1,366,152**	**$1,273,268**	**$1,269,741**

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Planner II

Personnel Expansion Form (FY24-FY26)

Background

The Planning department needs to embark on several major projects in FY24 and beyond and needs to build staff capacity in order to do so. The COVID-19 pandemic has compacted projects that would have happened in FY21-23. Through the development of the comprehensive sustainability plan we have learned that we need to work on several things in order to achieve the goals of the plan from the planning and development standpoint. We need to update the Future Land Use Plan and map, re-write the Unified Development Ordinance and potentially update the Official Zoning Map to correspond with the updated future land map and UDO updates, work with a consultant to conduct a downtown parking study, and master plan the train station site and then determine if the project is best suited as public-private development project or a market rate project. Additionally the town is currently experiencing artificial growth constraints due to limitations on the water and sewer system. If the water and sewer system is improved there will be built up growth pressures from the development community that will cause an increase in development review workload.

Analysis

The budget request is based on market analysis of the salary ranges of neighboring jurisdictions as well as the salary range for the 'Planner' position to avoid compression.

Recommendation

Add a Planner II position for FY24 and beyond to support future planning efforts and build staff capacity for upcoming needed projects.v

Personnel Expansion Expenditures

10-10-4900 - Planner II

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$63,137	$76,263	$76,936	$216,336
Operating	$0	$7,042	$3,460	$3,460	$13,962
TOTAL	**$0**	**$70,179**	**$79,723**	**$80,396**	**$230,298**

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Facility Management

FY2024 Operating & Capital Budget

Key Operations

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 needed to address those issues and to initiate a preventive maintenance program for the town's facilities.

FY23 Major Accomplishments

- Received and resolved 112 facility related issues January 18, 2022 - January 18, 2023.
- Provided project management and oversight of :
  - Hillsborough Police Chief's office renovation
  - LED bulb conversion project for the Police Department Headquarters at 127 N. Churton St.
  - Managed the replacement of the installation of a new heating unit for the Police Annex building
  - Administration Building Door replacement project
- Conducted a bid proposal and selection for janitorial services contract with one company for most of the town owned facilities.
- Conducted a bid proposal and selection for HVAC preventive maintenance and reduced service call cost for all of the town owned facilities.
- Negotiated lower cost for bathroom paper goods, soaps, sanitizer, and trash receptacle liners with Saffelle by having product type uniformity throughout all the town's facilities.

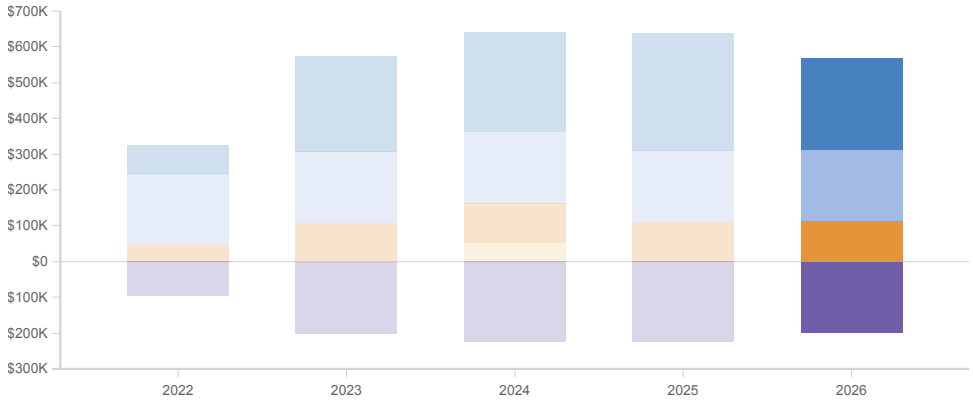
FY24 Major Budget Changes

- Contract for yearly pressure washing of town facilities once a year with gutter cleaning.
- HVAC Duct Cleaning Services for Town Hall Campus, Town Hall Annex, Police Dept, Police Annex, Adron Thompson, Water Plant, Wastewater Plant (main building only), Dorothy Johnson Community Center.
- Computerized Maintenance Management System (CMMS).
- LED light replacement at Administration Building and Town Hall Annex.
- Funding for ADA Compliance Assessment for Town Owned Facilities.
- HVAC Unit Replacement – Town Hall – Main House.
- Annual Backflow Preventer Testing and Repairs.

Financial Forecast

- Back Step Replacement at the Administration Building.
- Overhaul or replacement of Generator at the Police Department.
- Planning and implementation of ADA Compliance Plan.

Expenditures by Category



$369,097.16

Expenses in 2026

Department Expenditure Summary

10-10-5000 - Facility Management

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$79,778	$269,936	$279,056	$329,218	$256,218
Debt Service	$200,171	$200,171	$200,171	$200,171	$200,171
Personnel	$45,707	$106,229	$109,675	$110,558	$111,453
Capital	$0	$0	$52,800	$0	$0
Cost Allocations	-$96,844	-$201,718	-$224,596	-$223,982	-$198,745
TOTAL	**$228,812**	**$374,618**	**$417,107**	**$415,966**	**$369,097**

Public Space

FY2024 Operating & Capital Budget

Key Operations

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 assisting citizen groups interested in planning facilities in their neighborhoods, managing public construction projects and securing grants for construction, as well as managing ongoing maintenance and improvements to town property and the built environment.

Connectivity and accessibility are key goals. The division focuses on building accessible bicycle and pedestrian 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 citizens and visitors can congregate. Because beauty and function are integral parts of successful urban design, the division looks for opportunities to integrate art and quality design into the built environment.

FY23 Major Accomplishments

- Comprehensive Sustainability Plan Development - Project Management.
- Future Train Station Design Development and coordination with NCDOT-Rail, Go Triangle, North Carolina Railroad, Norfolk Southern and Amtrak (ongoing)
- Ridgewalk Greenway Feasibility Study.
- Churton Street Multimodal Corridor Study Initiation (Will be completed in FY24).
- Skate Park Design Development and cost estimates.
- Hwy 86/Fleet Facility Renovation Project Construction Document Development (ongoing).
- Public Level 2 Electric Vehicle Supply Equipment (EVSE) Suitability Analysis for Orange County.
- Occaneechi Village Replica construction complete and opening ceremony.
- Banner Agreement with Duke Energy and three types of new banners fabricated/installed.
- Solarize the Triangle Campaign.
- Coordinated with Fairview Community Watch to develop plans for improvements to community center and neighborhood.
- Coordinated with Orange County Arts Commission and Steering Committee for Uproar Public Art Festival.
- Removed invasive species and planted native riparian plantings along Riverwalk, Turnip Patch, and Murray Street parks.

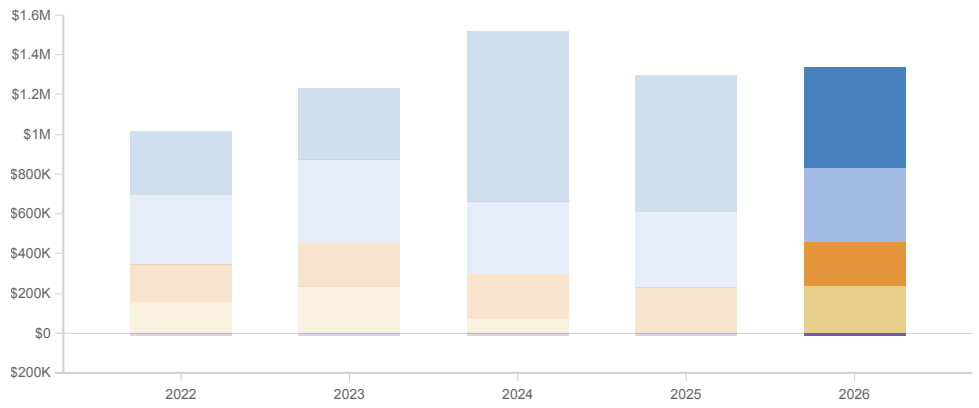
FY24 Major Budget Changes

- No major budget changes are proposed for FY24.
- Some funds are moved to better reflect spending needs.
- Some line items were incrementally adjusted to better reflect spending needs.

Financial Forecast

- Most of the focus of the Public Space Division will be on developing and implementing Capital Improvement, connectivity/transportation, and sustainability/climate projects which have budgets separate from the Public Space budget.
- Interpretive Sign Program expansion expected in FY25 with two additional interpretive signs. Locations are TBD (funds include design, fabrication, and installation costs).

Expenditures by Category



$1,326,501.19
Expenses in 2026

Department Expenditure Summary

10-10-6300 - Public Space

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Interfund Transfers	$320,000	$360,000	$856,003	$685,355	$510,000
Operating	$354,556	$422,098	$365,705	$386,062	$369,668
Personnel	$186,139	$219,213	$223,910	$226,465	$228,242
Debt Service	$155,532	$232,355	$73,352	$0	$232,355
Cost Allocations	-$12,254	-$13,764	-$13,764	-$13,764	-$13,764
TOTAL	**$1,003,973**	**$1,219,902**	**$1,505,206**	**$1,284,118**	**$1,326,501**

Safety & Risk Management

FY2024 Operating & Capital Budget

Key Operations

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 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.

FY23 Major Accomplishments

- Secured supplies despite limited deliveries and availability. Finding and acquiring certain safety gear (i.e., AED replacement parts, batteries, pads, and personal protective equipment) remained difficult.
- Continued training the HR Analyst, providing tutorials and sharing skills. This continues to be a positive for this office.
- Offered specialized training (i.e. advanced electrical training and heavy equipment operator training). Better trained employee could result in lower insurance costs and fewer incidents.
- Updating safety apparatuses and personal protective equipment is a priority. Items such as retroreflective signs are showing signs of deterioration and fall protection harnesses and lanyards are approaching their expiration dates. Maintaining sound safety gear and various types of equipment is a priority.

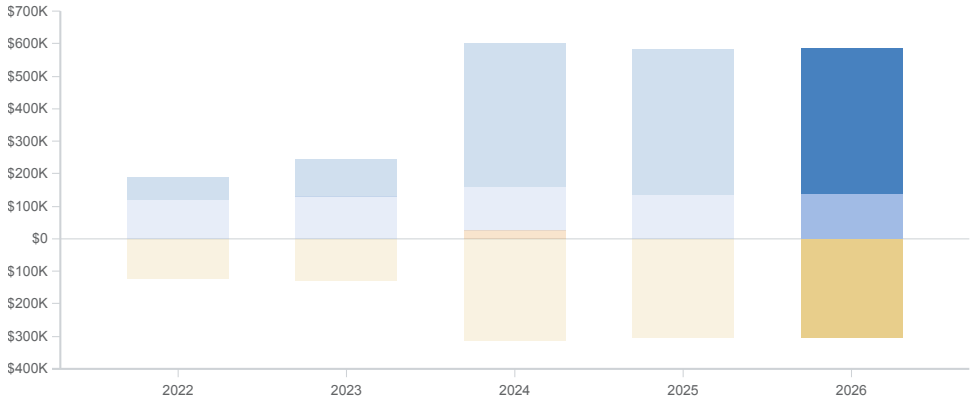
FY24 Major Budget Changes

- Transferred payment of Works' Compensation and Property & Liability insurance premiums from Administration to Safety ($320k).

Financial Forecast

- No major changes.

Expenditures by Category



$280,409.46
Expenses in 2026

Department Expenditure Summary

10-10-6600 - Safety & Risk Management

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$70,255	$113,014	$442,004	$446,535	$447,935
Personnel	$118,799	$132,134	$134,220	$135,232	$136,251
Capital	$0	$0	$26,055	$0	$0
Cost Allocations	-$120,417	-$127,477	-$313,185	-$302,519	-$303,777
TOTAL	**$68,637**	**$117,671**	**$289,094**	**$279,248**	**$280,409**

Information Technology

FY2024 Operating & Capital Budget

Key Operations

Information Technology maintains and improves the town's information services infrastructure, provides IT support for town personnel, provides protection from cyber threats; scanning, updating definitions, provides timely application of system patches, part of configuration management; 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.

FY23 Major Accomplishments

- Migrated ESRI from a single license agreement to their small government cloud-based enterprise agreement given the town access to a much wider array of ESRI ArcGIS products. This new licensing structure allows for the expansion of the ArcGIS online products to employees within multiple departments.
- Deployed enhanced security measures for Microsoft 365, created a DMARC email security program, and an external perimeter vulnerability management program.
- Completed several network equipment upgrade projects including two servers and a Datto backup device.

FY24 Major Budget Changes

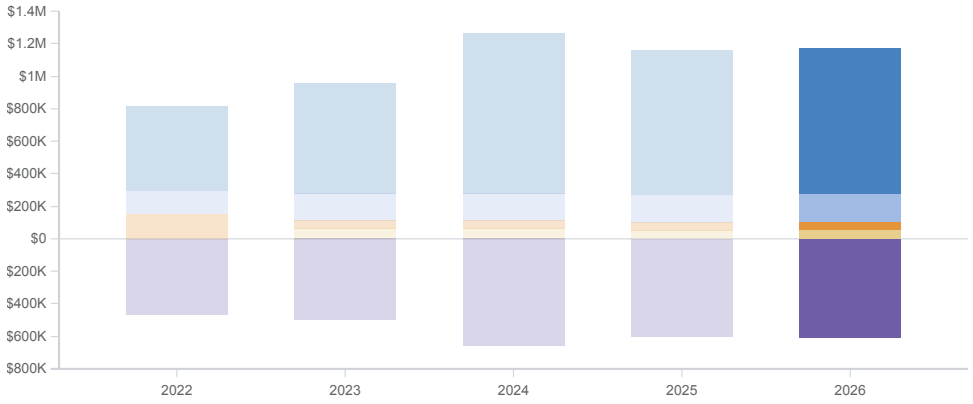
- Begin implementation of a centralized building security and access system in town buildings.
- Upgrade current remote access/VPN solution and add cyber security operations center (SOC) services to continuously monitor, prevent, detect, investigate, and respond to cyber threats.
- Upgrade Digium Phone System phone sets as the current D-series phone sets have been discontinued by the manufacturer.
- Implement a fiber network interconnecting all town buildings to provide reliable high-speed connectivity.

Financial Forecast

- Expand a centralized building security and access system throughout all town buildings.
- Implement an efficient centralized network infrastructure using a fiber network interconnecting all town buildings.
- Continue to enhance security measures through the cyber security program.

Expenditures by Category

Data Updated May 10, 2023, 9:57 AM



$560,040.13
Expenses in 2026

Department Expenditures

10-10-6610 - Information Technology

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$521,162	$681,340	$985,247	$883,182	$894,564
Personnel	$142,865	$163,136	$168,037	$170,952	$172,186
Interfund Transfers	$150,000	$50,000	$50,000	$50,000	$50,000
Capital	$0	$65,000	$65,000	$50,000	$50,000
Cost Allocations	-$469,887	-$498,928	-$659,508	-$600,150	-$606,710
TOTAL	**$344,140**	**$460,548**	**$608,776**	**$553,984**	**$560,040**

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Public Safety

Key Operations

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.

FY23 Major Accomplishments

- Building renovation project was completed and new office space was created on the 1st floor of headquarters.
- Three new admin vehicles were purchased during FY23.
- Added several investigative software tools for more investigative capability.

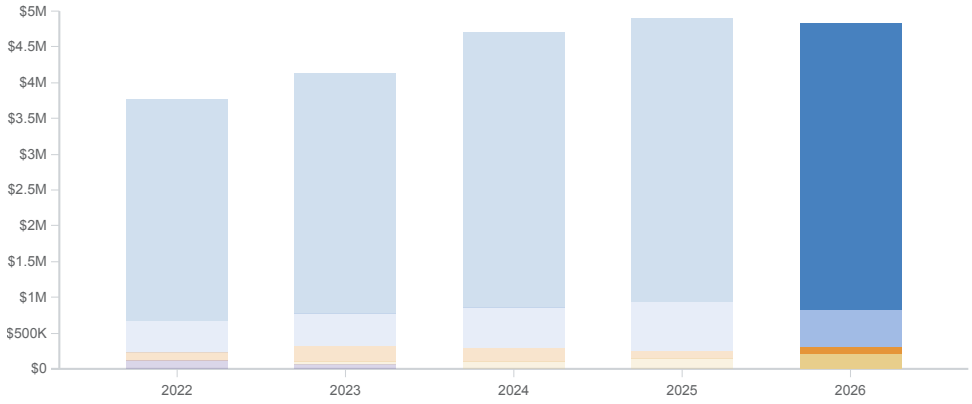
FY24 Major Budget Changes

- Majority of building maintenance items removed from Police budget and moved to Facility Management budget.
- Ammunition costs have increased and are continuing to do so.
- Due to the re-org, additional cell phone stipend costs have been added.
- We have cut the Geotab vehicle data/tracking system. We have found that it is not meeting our needs and not being utilized. We will explore other alternatives for future inclusion.

Financial Forecast

- In July of 2025 changes to the Viper radio system are projected to become effective, requiring us to replace 8 radios and do an update to all remaining radios. The total cost for this is update to our radio capabilities will be around $60,000.
- In-car camera systems will need to be upgraded in the future. This will be a significant expenditure (potentially $100k+).
- Our current records management software (RMS) system is generating a number of problems and we along with other county agencies are looking at possible options for changes in the future. This will be a major project if we have to make a change.
- Continue to ramp up debt service capacity for a new Police station over eight years. Reserved funds will be used to offset design costs; anticipate having $500k reserved by the end of FY24.

Expenditures by Category



$4,819,101.59
Expenses in 2026

Department Expenditure Summary

10-20-5100 - Police

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$3,086,573	$3,349,811	$3,849,615	$3,968,463	$4,005,738
Operating	$449,542	$455,955	$569,008	$678,131	$513,364
Capital	$116,317	$213,076	$190,000	$100,000	$100,000
Interfund Transfers	$0	$50,000	$100,000	$150,000	$200,000
Debt Service	$109,018	$54,510	$0	$0	$0
TOTAL	**$3,761,450**	**$4,123,352**	**$4,708,623**	**$4,896,594**	**$4,819,102**

Patrol Officers

Personnel Expansion Form (FY24-FY26)

Background

Add two patrol officer positions in FY24, including vehicles and equipment.

Analysis

There are currently two patrol rotations, each covering a 24-hour period. Each rotation is currently staffed by a Lieutenant, two sergeants and 5 officers. Ideally this allows us to have the daytime sergeant as cover (not assigned as a primary dispatch car), 3 officers working days, one working mids (until 3am) and two working nights. If we have one absence the sergeant has to become a call taking car. If we have two people absent, the Lt. also has to cover calls. We are finding that our lieutenants are having to spend about 60% of their time covering calls.

This is being driven by several factors:

- Staffing challenges have resulted in vacancies and that seem to be a never-ending process.
- We have significant training needs both in terms of mandatory training we must do, and training that we have identified that is needed for staff to develop and maintain their skills.
- Employees are using a lot of leave driven by both the need for work-life balance, and the generous policies of the town such as parental leave.
- The Town has grown, as have the expectation of what our officers are responding to, and as a result there has been growth in the number and complexity of calls our officer have to handle.

One of the driving factors in the re-organization was to respond to the also increasing demands on our agency in terms of administrative work. While we knew the lieutenants would spend some time covering patrol, we believed the vast majority of their time would be free for administrative oversight and staff development. This is not happening as we would have liked due to them having to serve in call-taking roles for the majority of their time.

Recommendation

Add an additional patrol officer to each rotation to ensure that the squads are balanced and better able to weather leave, training and staffing shortages, and allow the lieutenants to focus the majority of their time in the areas that we intended. One option is to add only 1 position, and then re-classify the currently vacant management analyst position to a patrol officer position. Doing this would eliminate half the personnel costs associated with this proposal. Without additional positions, another option is to move the current problem-solving positions back into patrol. This is not ideal, as we feel these positions have significant value and are helping build community connections.

Personnel Expansion Expenditures

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$77,516	$154,188	$155,794	$387,498
Capital	$0	$90,000	$0	$0	$90,000
Operating	$0	$33,706	$6,888	$6,888	$47,482
TOTAL	**$0**	**$201,222**	**$161,076**	**$162,682**	**$524,980**

Social Worker

Personnel Expansion Form (FY24-FY26)

Background

The Town of Hillsborough will receive a grant in the amount of $152,878 to fund a Social Worker in the Police Department in FY24-FY25. The grant award from the Division of Mental Health, Developmental Disabilities and Substance Abuse Services of the N.C. Department of Health and Human Services was finalized in January. It will create a community care and diversion response team to increase and expand pre-arrest and post-charge diversion opportunities, clinical care, peer support and person-centered case management for individuals with serious mental health issues who come into contact with law enforcement. The grant runs through September 2025, and formalizes another collaboration among law enforcement agencies, the Criminal Justice Resource Department and Freedom House to serve individuals at risk of criminal legal system involvement. The Community Care and Diversion Response Team will focus on diverting the growing population of individuals with serious mental illness and co-occurring disorders from arrest and incarceration.

Analysis

Having social workers embedded in the Police Department will help with ongoing training and understanding for officers, will help with de-escalation on calls and will allow for the warm handoff from law enforcement that diversion requires. The dedicated clinical and peer support positions in this department and at Freedom House will assist with immediate connections to treatment and peer support needs for the individuals diverted.

Recommendation

Accepting this position expansion to take advantage of intergovernmental funds will benefit the Police Department and those interacting with law enforcement suffering from mental health concerns.

Personnel Expansion Expenditures

10-20-5100 - Social Worker Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$75,705	$76,371	$77,045	$229,122
Operating	$0	$11,490	$5,740	$5,740	$22,970
TOTAL	**$0**	**$87,195**	**$82,111**	**$82,785**	**$252,092**

Personnel Expansion Revenues

10-20-5100 - Social Worker Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Intergovernmental	$0	$76,489	$76,389	$0	$152,878
TOTAL	**$0**	**$76,489**	**$76,389**	**$0**	**$152,878**

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Fire Protection

FY2024 Operating & Capital Budget

Key Operations

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.

FY23 Major Accomplishments

- Completed comprehensive pay study. Look to address study findings in FY24.
- Completed construction of Fire Station #4 on College Park Road in Waterstone area.

FY24 Major Budget Changes

- No change in contract with Orange County for fire marshal services for FY24.
- Implement plan to address FY23 pay study findings. Salaries were determined to be 15% below the market.

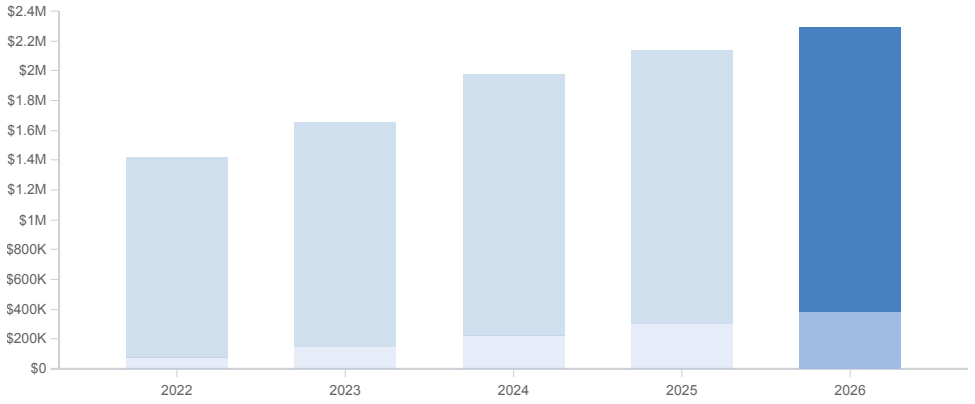
Financial Forecast

- Continue $75,000 per year ramp up to fund future fire station debt service. Reserved ramp-up funds will be used to offset the cost of station design.

Expenditures by Category

10-20-5350 - Fire Protection

Data Updated May 10, 2023, 9:57 AM



$2,298,214.00
Expenses in 2026

Department Expenditure Summary

10-20-5350 - Fire Protection

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$1,349,175	$1,503,286	$1,750,770	$1,834,860	$1,923,214
Interfund Transfers	$75,000	$150,000	$225,000	$300,000	$375,000
Personnel	$370	$0	$0	$0	$0
TOTAL	**$1,424,545**	**$1,653,286**	**$1,975,770**	**$2,134,860**	**$2,298,214**

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Public Works

Fleet Maintenance

FY2024 Operating & Capital Budget

Key Operations

The Fleet Maintenance Department 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.

FY23 Major Accomplishments

- Vehicles and equipment repaired in a timely manner.
- No known complaints about work from other departments.
- The leaf machines have not failed this year, which is rewarding after the lengthy maintenance performed on each truck prior to the season.

FY24 Major Budget Changes

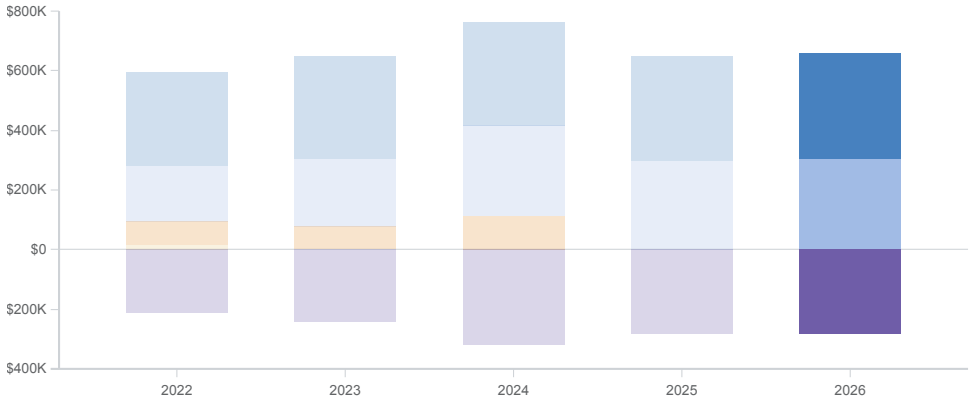
- The town owns three Ford F-450 trucks that are too long to fit into the garage bays and allow the doors to be closed. Repairs that will leave the truck non-operational overnight are sent to outside repair shops. The repairs on these trucks can be labor intensive and expensive. A recent oil leak repair on one of these units cost over $5,800. Two of the trucks are five years old now, and many repairs are predicted. Additional funds are requested for water and sewer vehicle repairs.

Financial Forecast

- The F-450 costs will continue as covered above. Also, automotive technology is changing and we have to keep up. We will need training and equipment to repair the new 1234yf vehicle air conditioning systems. We need training and possibly equipment to repair the hybrid Police Interceptor vehicles that were purchased. We will be forced to have repairs done on the Vactor truck that is assigned to Wastewater Collections at the dealer. This is documented in a justification form. These repairs will be ongoing and increasing as the truck ages.

Expenditures by Category

Data Updated May 10, 2023, 9:57 AM



$376,350.28
Expenses in 2026

Department Expenditure Summary

10-30-5550 - Fleet Maintenance

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$312,732	$344,139	$348,370	$351,088	$353,836
Operating	$187,618	$227,542	$304,040	$297,050	$304,250
Debt Service	$78,750	$76,970	$112,117	$0	$0
Capital	$15,478	$0	$0	$0	$0
Cost Allocations	-$211,464	-$243,008	-$318,105	-$281,001	-$281,735
TOTAL	**$383,114**	**$405,643**	**$446,423**	**$367,137**	**$376,350**

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Key Operations

The Streets Division conducts street and curb-and-gutter repair, pavement resurfacing, and ice and snow removal and control. The division also repairs street cuts made by private contractors and the Utilities Department. The division maintains signs and rights-of-way. It provides services to assist the Public Space Division and Stormwater Department.

Powell Bill funds are used to maintain and enhance town streets and pedestrian systems for the benefit and welfare of the traveling public through the restricted local use state-shared gasoline tax.

FY23 Major Accomplishments

- Completed a sidewalk assessment for all town-maintained sidewalks.
- Completed full depth asphalt patching on Murdock Rd, McAdams Rd, Hayes St, W Queen St, Margaret Ln, Cheshire Dr, Waterstone Dr, Chandler Ct, and Kenyon Grove subdivision.
- Resurfaced all the streets except for McAdams Rd (due to sewer relocation) and Waterstone Dr. That will put the town at having 2.3 miles resurfaced in FY23 which meets our 5% yearly goal.
- Reported several streetlight outages to Duke Energy.
- Plowed all streets within 24 hours during applicable snow events, when road conditions allowed.
- Removed unsafe and fallen trees from streets, public rights-of-way, and on town property.
- Have performed several driveway/sidewalk inspections for new residential homes and commercial property that has impacted the right-of-way. We also have a utility cut permit in place for contractors performing work within the right-of-way.
- Valley Forge culvert replacement is still underway and should be complete in FY23.
- Performed maintenance on about 2,500 linear ft. of stormwater swales and ditches.
- Public Works is now equipped with a Salt Brine system so that we can pre-treat certain streets during winter weather events to help with snow and ice removal.

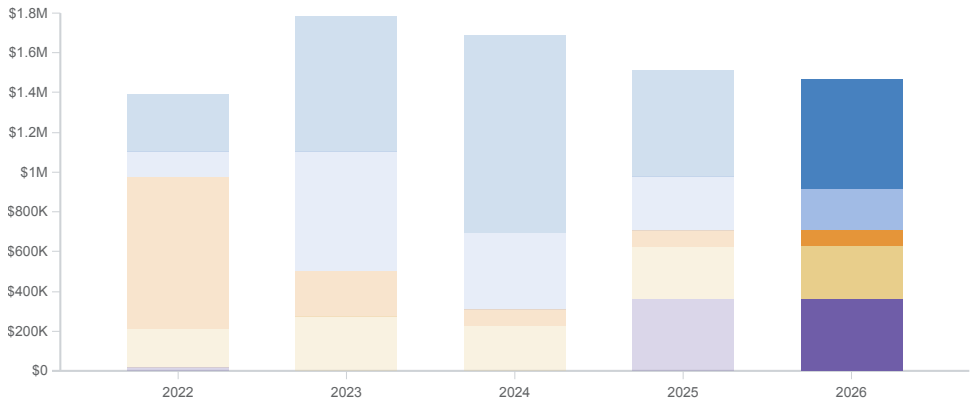
FY24 Major Budget Changes

- Replace a 1999 F-350 aerial lift truck.
- Resurface Waterstone Drive.

Financial Forecast

- As residential development increases, there will be an overall increase in service and maintenance demand.
- Stormwater maintenance requests continue to increase.

Expenditures by Category



$1,464,618.75
Expenses in 2026

Department Expenditure Summary

10-30-5600 - Streets

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$286,418	$682,821	$993,780	$533,584	$547,940
Capital	$130,554	$602,020	$389,000	$275,000	$210,000
Interfund Transfers	$764,270	$227,148	$81,000	$81,000	$81,000
Personnel	$194,839	$272,955	$225,881	$262,415	$264,587
Debt Service	$15,727	$0	$0	$361,092	$361,092
TOTAL	**$1,391,808**	**$1,784,944**	**$1,689,661**	**$1,513,091**	**$1,464,619**

Equipment Operator

Personnel Expansion Form (FY24-FY26)

Background

Public Works has had a max of 8 employees for the last 10+ years and that includes 2 supervisors. During that time we have had a huge increase in new residents which brings in much more work for Public Works. The amount of work has not only increased in Solid Waste collection it has increased in Streets and Stormwater as well.

Analysis

During the leaf collection months we find it difficult to be able to keep up with our work outside of Solid Waste collection. When we have 4 trucks(garbage truck, brush truck, bulk truck, and sometimes 2 leaf trucks) operating each day that only leaves us with 2 staff to complete asphalt repairs and stormwater tasks. Outside of leaf collection season we still have at least 2 trucks running daily routes. With those two trucks taking away from our total of 6 field staff we still find it difficult to complete asphalt and stormwater repairs due to the amount of staff not only that it takes to do the actual work but if we have to set up a work zone where we have to flag traffic then that takes 2 people. So, we would again be down to just 2 staff to handle all the labor involved. Another scenario is when we have to go out and repair a utility cut with asphalt, there are several pieces of equipment needed to complete the task. We have to have 1 dump truck towing the asphalt hot box, 1 dump truck towing the asphalt roller, 1 pickup towing the mini excavator and needed tools. So that is 3 drivers just in equipment and it takes 2 staff to go get the asphalt from Durham(the second person has to line the hot box up under the shoot where the asphalt comes out at the plant). This slows us down due to we have to wait until they get back to begin depending on what type of work zone we need to install. Sometimes myself or Brian will go out and assist in flagging or whatever the need is just so that we can get started.

Recommendation

Add another equipment operator in Public Works to increase the capability to provide superior services to the public as demand increases from the growth of residential housing. We are constantly getting more stormwater requests and with us trying to be proactive this would help tremendously in getting this done. This position would also increase the availability of staff to attend training classes without reducing services.

Personnel Expansion Expenditures

10-30-5600 - Equipment Operator

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$35,890	$70,838	$71,480	$178,207
Operating	$0	$1,526	$1,946	$1,946	$5,418
TOTAL	**$0**	**$37,416**	**$72,784**	**$73,426**	**$183,625**

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Solid Waste

FY2024 Operating & Capital Budget

Key Operations

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

FY23 Major Accomplishments

- 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.
- We no longer have the franchise agreement with businesses for Solid Waste.

FY24 Major Budget Changes

- Replace existing rear loader with a smaller, more nimble version. The smaller truck will be better suited for collecting solid waste from downtown, parks and special events.

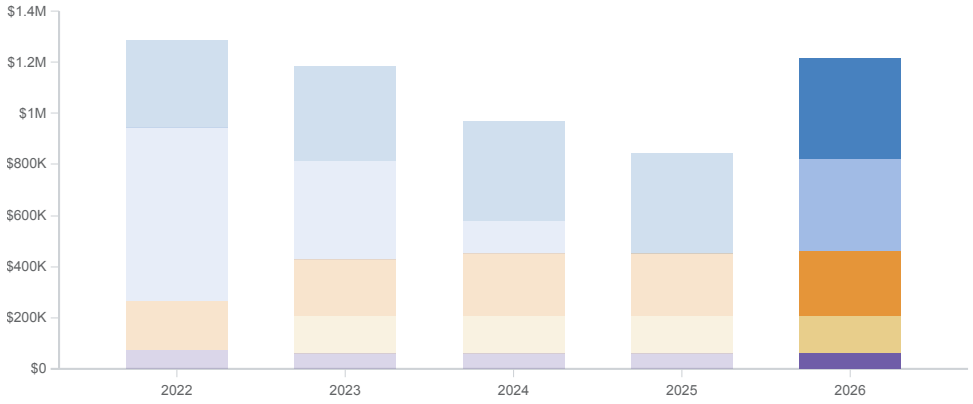
Financial Forecast

- Continue efforts to address service demands of new residential homes and town facilities.
- Continue assessment and realignment of trash, brush, and other routes for efficiency and effectiveness.
- Continue monitoring replacement and acquisition of equipment and residential rollout carts, particularly for new developments and special events.

Expenditures by Category

10-30-5800 - Solid Waste

Data Updated May 10, 2023, 9:57 AM



$1,218,405.84
Expenses in 2026

Department Expenditure Summary

10-30-5800 - Solid Waste

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$343,469	$373,058	$387,268	$394,219	$397,696
Capital	$675,878	$386,095	$130,000	$0	$360,000
Operating	$191,485	$218,574	$242,231	$245,893	$253,093
Interfund Transfers	$0	$144,822	$145,000	$145,000	$145,000
Debt Service	$74,983	$62,617	$62,617	$62,617	$62,617
TOTAL	**$1,285,816**	**$1,185,166**	**$967,116**	**$847,729**	**$1,218,406**

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Cemetery

FY2024 Operating & Capital Budget

Key Operations

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.

FY23 Major Accomplishments

- No major projects.

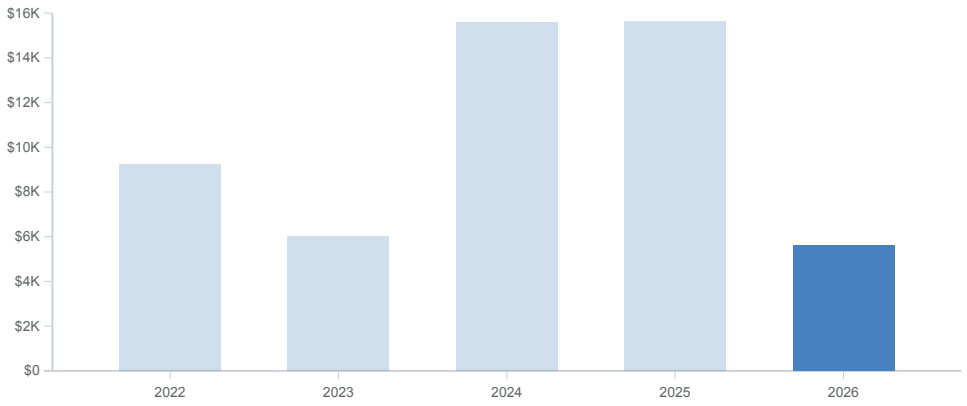
FY24 Major Budget Changes

- No major changes.

Financial Forecast

- Stone wall repair at Old Town Cemetery (FY25).

Expenditures by Category



$5,620.00
Expenses in 2026

Department Expenditure Summary

10-40-6400 - Cemetery

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$9,277	$6,010	$15,560	$15,620	$5,620
TOTAL	**$9,277**	**$6,010**	**$15,560**	**$15,620**	**$5,620**

Special Appropriations

Special Appropriations

FY2024 Operating & Capital Budget

Key Operations

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, and contributions to organizations that provide services that are available to Hillsborough residents.

FY23 Major Accomplishments

- Completion of Comprehensive Sustainability Plan.

FY24 Major Budget Changes

- Ramp up contributions to affordable housing efforts; multi-year goal of reaching 2-cents on the tax rate..

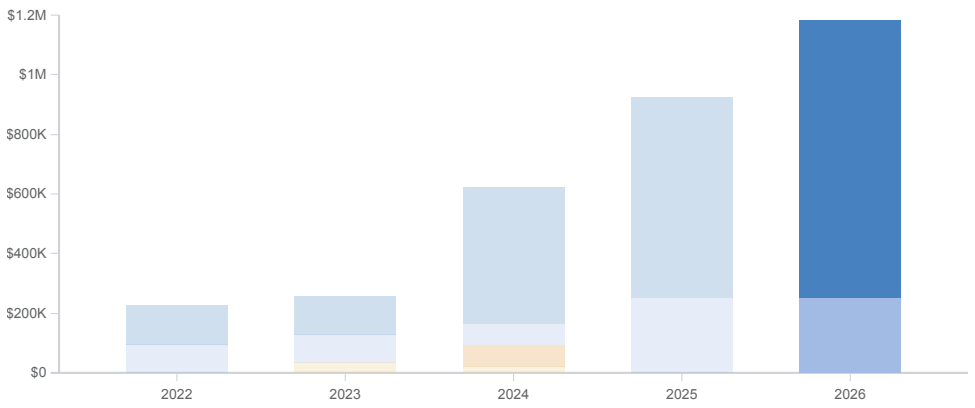
Financial Forecast

- No major changes.

Expenditures by Category

10-60-6900 - Special Appropriations

Data Updated May 09, 2023, 10:12 AM



$1,182,432.00
Expenses in 2026

Department Expenditure Summary

10-60-6900 - Special Appropriations

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$131,700	$132,183	$456,267	$671,267	$931,767
Debt Service	$94,576	$92,469	$69,501	$251,847	$250,665
Cost Allocations	$0	$0	$75,000	$0	$0
Capital	$0	$35,000	$20,000	$0	$0
TOTAL	**$226,276**	**$259,652**	**$620,768**	**$923,114**	**$1,182,432**

Affordable Housing

FY2024 Operating & Capital Budget

Issue Summary

Affordable housing is a top concern and challenge in many communities throughout the country. Just five 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 Affordable Housing Coalition in Orange County to help prioritize affordable housing in an on-going and meaningful way.

Funding in FY22 was $22,488 with $68,066 budgeted for FY23. FY24 funding requests have been received from the Partnership to End Homelessness as well as the Inter-Faith Council (IFC) in Chapel Hill to support their shelter operations that are available to all in Orange County. The town board has also expressed a desire to retain the capacity to assist other entities in the creation of affordable units. Funds the town has used in the past to assist with various projects in Hillsborough are now exhausted, so rebuilding reserves to assist in this area is needed.

Key Decision Points

- How to reach the 2-cent equivalent?
  - One option is to absorb in FY24 to avoid a property tax rate increase this year, start phasing in next year, or select one year to increase the property tax rate accordingly. This is an important point to resolve since the current budget is not capable of absorbing this expense without corresponding cuts, deferments, or identifying a revenue source such as raising the property tax rate to cover the $326,000 cost of the 2-cent commitment.
  - The budget includes a proposal to make annual steps to the 2-cent goal. FY24 includes a total of $100,000, then it increases by about $75,000 annually until FY27.
- Confirm or amend allocation to PEH of uncommitted FY23 funds ($43,292). A budget assumption to continue these funds was made since they already had an existing engagement with the town.
- Provide FY23 funding to IFC?
- What to do about FY24 requests from PEH (an additional $51,475) and IFC ($43,518)?
- How much and when to start allocating towards the "Affordable Housing Creation Reserves" for unit development in Hillsborough?

Continuation Budget

Continuation Budget (included in FY24 budget)	FY22	FY23	FY24	FY25	FY26	FY27
Community Home Trust	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
HOME Funds Match	$4,200	$6,486	$4,200	$4,200	$4,200	$4,200
O.C. Partnership to End Homelessness (continuation)	$15,788	$15,788	$15,788	$15,788	$15,788	$15,788
Budgeted but Uncommitted Affordable Housing Funds*		$43,292	$44,628	$44,628	$44,628	$44,628
Total Continuation	**$22,488**	**$68,066**	**$67,116**	**$67,116**	**$67,116**	**$67,116**

*OCPEH was identified by the board at the FY23 budget workshop as potential recipient of funds pending completion of audit

2-Cent Funding Ramp-Up Option

Ramp-up to 2 cents for Affordable Housing ($326,000)	FY22	FY23	FY24	FY25	FY26	FY27
Current Contributions	$22,488	$68,066	$67,116	$67,116	$67,116	$67,116
Ramp-up Contributions			$32,884	$107,884	$182,884	$258,884
Total Funding	**$22,488**	**$68,066**	**$100,000**	**$175,000**	**$250,000**	**$326,000**

*2-Cents = $326,000 in FY24 dollars

Available Funding

Unassigned Funds (assumes 2-cent ramp-up)	FY22	FY23	FY24	FY25	FY26	FY27
Revenue: Continuation + Ramp-up	$22,488	$68,066	$100,000	$175,000	$250,000	$326,000
Expenditures: Continuation	$22,488	$68,066	$67,116	$67,116	$67,116	$67,116
Surplus/(Deficit)*	**$0**	**$0**	**$32,884**	**$107,884**	**$182,884**	**$258,884**

*Funds available for unfunded requests

Unfunded Requests

Expansion Requests (not funded)	FY22	FY23	FY24	FY25	FY26	FY27
O.C. Partnership to End Homelessness (FY24 - expansion for 6 areas)		$0	$51,475	$51,475	$51,475	$51,475
Inter-Faith Council		$43,518	$43,518	$43,518	$43,518	$43,518
Affordable Housing Creation Reserve Contribution		TBD	TBD	TBD	TBD	TBD
Total Expansion Requests	**$0**	**$43,518**	**$94,993**	**$94,993**	**$94,993**	**$94,993**

Affordable Housing Creation Reserve Fund

Affordable Housing Creation Reserve Fund	FY22	FY23	FY24	FY25	FY26	FY27
Anticipated Contributions to Reserve Fund	$0	$0	$0	$0	$0	$0
Anticipated Allocation of Reserve Funds	$0	$0	$0	$0	$0	$0
Cumulative Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

	Description	Staff	Total Request	Chapel Hill	Orange County	Carrboro	Hillsborough	Notes
Percentage Split				39.7%	39.5%	14.3%	6.5%	
OCPEH Continuation Budget								
CoC Personnel		2.65 FTE: 1 Homeless Programs Manager, .625 Homeless Programs Coordinator & 1 Housing Access Coordinator	*$ 237,310*	*$ 94,212*	*$ 93,737*	*$ 33,935*	*$ 15,425*	
CoC Operations			*$ 87,460*	*$ 34,722*	*$ 34,547*	*$ 12,507*	*$ 5,685*	
SOHRAD Personnel		4.0 FTE: 1 Clinical Coordinator (CJRD), 3 Peer Street Navigators (OCPEH) Front-line position salary and benefits $68,599/position	*$ 285,515*					
SOHRAD Operations			*$ 40,380*					
RRH Personnel		0.5 FTE: 0.5 RRH Case Manager (0.5 from ESG annual grant) Front-line position salary and benefits $68,599/position	*$ 32,500*					
RRH Operations			*$ 3,415*					
TOTAL CONTINUATION BUDGET			***$ 686,580***	***$ 272,572***	***$ 271,199***	***$ 98,181***	***$ 44,628***	
OCPEH Grants								
CoC RRH Grant	October 2022-September 2023	2 FTE: 2 Rapid Re-housing Case Managers	$ 161,920					
ESG	$40,730 January 2023 - December 2023 (will all be spent in FY 2023)	0.5 FTE: Rapid Re-housing supportive services	$ 40,730					
CoC Planning Grant	$21,946 July 2022-June 2023 $23,899 July 2023 - June 2024 (ant)	.2 FTE: Homeless Programs Coordinator, Leadership Team stipends	$ 22,922					
TOTAL GRANTS			***$ 225,572***					
Unmet Needs from Gaps Analysis								
Rapid Re-housing	Rapid Re-housing provides financial assistance and case management services to people experiencing homelessness to help them obtain and maintain housing. The current homeless systems gaps analysis = 6 case managers (currently have 4 FTE: 2 funded by CoC, 1 funded by ESG Annual and local funds, and 1 County MOE); This request is for 2 FTE staff salaries, benefits, and program operations to be funded by OCPEH shared increase in contributions with rental assistance provided by HOME TBRA.	2 FTE: 2 new Rapid Re-housing case managers Front-line position salary and benefits $68,599/position	$ 140,830	$ 55,910	$ 55,628	$ 20,139	$ 9,154	
Cold weather emergency warming shelter	Part-time as needed staffing for Nov 1 - March 31st when nighttime temperature drops below 32 degrees	0 FTE - temp staff, supplies, printing, advertising $20/hr per staff member	$ 20,000	$ 7,940	$ 7,900	$ 2,860	$ 1,300	
Housing Locator	The Housing Locator position would be available to help people who need extra support with housing search. Currently people are searching for units for over three months, even with financial assistance in hand. This position prevents homelessness and in cases where they cannot do this, they decrease the amount of time people experience homelessness. This position is currently funded with grant and County ARPA funds which is expected to be exhausted in Spetember 2023 so this request is for the remaining .75 FTE to be funded by OCPEH shared increase in contributions.	1.0 FTE: 1 Housing Locator Front-line position salary and benefits $68,599/position	$ 51,449	$ 20,425	$ 20,322	$ 7,357	$ 3,344	
Bridge Housing	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 at hotels for up to 60 days for 55 reentering individuals per year and supportive services for 65 individuals through Reentry House Plus (already an Outside Agency). Reentry House Plus has contracted with the SWIT (Success While in Transition) program run by individuals who themselves have reentered successfully to provide a month-long course and ongoing one-on-one case management and peer mentoring for these individuals in collaboration with our Local Reentry Council. Bridge Housing and support 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 a clear funding opportunity through the American Rescue Plan Act funds.	0 FTE - services and hotelling	$ 217,500	$ 86,348	$ 85,913	$ 31,103	$ 14,138	
Permanent Supportive Housing	Permanent Supportive Housing (PSH) serves people experiencing chronic homelessness, providing housing subsidy and case management; Increased PSH is a homeless system gap. The current program cannot expand due to the need for match funding. The program currently has 2 FTEs funded by Continuum of Care (CoC) funding. Changing the staff funding source to local funds would allow the CoC dollars to be used for rental assistance, and adding another FTE case manager (3 total) would provide the staff capacity needed to administer additional rental assistance from reallocated CoC funds. The Inter-Faith Council for Social Service (IFC) is requesting funds for 3 FTE case managers to allow expansion of best practice PSH program.	3 FTE: 3 IFC Permanent Supportive Housing Case Managers	$ 200,000	$ 79,400	$ 79,000	$ 28,600	$ 13,000	ARPA problematic w/subcontractor
Homeless Youth Housing	LGBTQ Center of Durham receives requests for housing, therapy, and case management for youth (age 18-24) exiting homelessness in Orange County; serving both LGBTQ and non-LGBTQ youth. This request would provide supportive services to youth originating in Orange County.	0 FTE - services and housing	$ 162,150	$ 64,374	$ 64,049	$ 23,187	$ 10,540	ARPA problematic w/subcontractor
TOTAL EXPANSION REQUEST			***$ 791,929***	***$ 314,396***	***$ 312,812***	***$ 113,246***	***$ 51,475***	
TOTAL COMPLETE BUDGET	Sum of continuation funding, grant funding, and unmet needs funding		***$ 1,704,081***	***$ 586,968***	***$ 584,011***	***$ 211,427***	***$ 96,103***	

April 18, 2023

Dear Town and County Leaders,

IFC is again following up our Outside Agencies/Human Services Application with a request to enter a process for an inter-local agreement to fund our emergency housing programs: HomeStart for women and families and Community House for men. **We are asking again that funding for our emergency housing programs be considered separately from the Outside Agencies/Human Services process.** We will, however, work through the Outside Agencies/Human Services process for funding for our food security programs.

As you well know, we engaged in a similar process last year at this time, which we had hoped would lead to an inter-local agreement. We have not yet completed the process for the ILA, though we are grateful for the requested financial support we received from Orange County and the Towns of Chapel Hill and Carrboro for the current year (FY2023).

Thank you for prioritizing funding to support our community members who are experiencing homelessness. The emergency housing programs that IFC provides are unique in Orange County. No other organization provides these essential basic human services in our community. Without these vital services, more people would be living outdoors, given the worsening affordable housing crisis.

For FY2024, IFC is requesting $669,502 through an inter-local agreement for our emergency housing programs. We hope this year to be able to complete the process for an inter-local agreement for 5 years, indexed for inflation, to be considered for renewal at the end of the initial period. Here is how the $669,502 would break down, assuming the same allocation process as the current year:

Orange County	$264,453
Town of Chapel Hill	$265,792
Town of Carrboro	$95,739
Town of Hillsborough	$43,518

IFC leverages a considerable amount of diverse resources in order to support members of this community with their most basic needs. As a non-profit provider, the depth and variety of support we receive is greater than what the government would be able to leverage if required to step in and provide the same services. We continue to raise 65% of our annual revenue from private sources, including individuals, the faith community, foundations, and businesses. We also leverage significant in-kind support to meet people's basic needs. Community members volunteer almost 15,000 hours of staffing each year, and nearly all the food distributed at the Community Market and served at the Community Kitchen and both shelters is donated. We maintain two reserve funds to draw from in emergencies and for needed capital maintenance on our three buildings (projected at $110,000

annually, which is 1% of the value of our aging buildings). Without this dependable funding from the local government, we are not able to sustain all our safety net services, and we face making very difficult decisions. Unexpected one-time gifts and bequests in past years have covered our funding gap to date, but we cannot rely on these unexpected funds to continue to materialize.

Orange County has one of the highest income disparities in the state. When adequately funded, IFC helps to make this community more affordable for low-income residents and workers who make this a diverse and desirable place to live.

Thank you for your thoughtful consideration and dependable partnership confronting the causes and responding to the effects of poverty in our community. We appreciate the decisions ahead of you.

In partnership,

Jackie Jenks
President and CEO

Susan Laidlaw
Board Chair

Memorandum

To: Mayor and Board of Commissioners

From: Matt Efird, Assistant Town Manager

Date: May 2, 2023

Subject: Fairview Community Watch Funding Request

On April 18th, town staff received the attached funding request from the Fairview Community Watch ("FCW") for $50,000, split roughly $30,000 for building improvements for the Dorothy N. Johnson Community Center (the "facility"), $10,000 for programming and facility operations, and $10,000 for staffing. Based on feedback received during the January 2023 budget retreat, the draft FY24 budget includes a recommendation for continued support for the facility. Staff recommends funding the $40,000 for building improvements, programming and operations, but not for staffing. At this time, with no operations or funding agreements in place with FCW other than the facility lease, staff is not in position to recommend approval for that request. However, staff will commit to working with FCW leadership on finalizing the necessary agreements during FY24 in order to clarify the roles and responsibilities for both parties regarding the use and operations of the facility.

Additionally, staff's recommendation is that the funding for the facility improvements and operations not be disbursed as a lump sum, as was done in FY23, but on a project-specific basis for the specific requested improvements to the facility and/or programming/event support. FCW leadership will still provide guidance on the implementation of the building improvements and operations, with support and assistance provided by town staff in the facilities management and public spaces divisions. The town has a legal responsibility for the management of public funds, and managing the financial support for the facility under a formal agreement is consistent with how the town (and affiliated boards like Tourism Board) handles financial support for other entities (Arts Council, Museum, Burwell etc.). Staff will be working towards formalizing all outside agency funding in a similar manner through FY24.

All of the above information is being provided as a staff recommendation to facilitate discussion by the Board, and the Board is free to provide direction to move forward in a different manner.

Cc: Eric Peterson, Town Manager
Faylor Riley, President, Fairview Community Watch

April 12, 2023

Mayor Weaver and Hillsborough Board of Commissioners
P.O. Box 429
Hillsborough, NC 27278

RE: FY24 Dorothy N. Johnson Community Center Funding Request

Dear Mayor and Commissioners,

The Fairview Community Watch (FCW) is so grateful for the Town of Hillsborough's continued support of the Dorothy N. Johnson Community Center. Over the past year, we have been busy working to make Fairview's long-term dream of a vibrant community center a reality. We deeply appreciate the support of the Mayor, Commissioners, and staff for all of the time, energy, and resources you have committed to aiding us in achieving our goals. *With this in mind, we write to you today to request $50,000 in FY24 funding that is greatly needed to help us further mobilize plans for the center.*

FY23 Highlights

In FY23, with support from UNC's Community Practice Lab (and Habitat for Humanity), the FCW implemented a five-year strategic plan to guide the initial growth of the community center (See *Vitalize*.) During the last twelve months, we have been busy working towards these objectives. We have supported diverse programming (including a summer internship program, exercise classes, preschool reading groups, and an oral history project) and hosted community events (including Walk Fairview Day and a Fall Bazaar.) We also partnered with Habitat to host volunteer paint days of the classrooms and hallway. (*Attached to this letter you will find our 2022 highlights*.) We thank the Town for awarding us funding in FY23. These funds, disbursed to us earlier this month, will greatly help us further operationalize our plans. However, we are quickly finding that our goals for creating a community center that can fully support a wide variety of activities, best support our neighbors, and add to the vitality of the neighborhood, requires more resources.

FY24 Funding Request

The FCW respectfully requests Town support of $50,000 in FY24. (A breakdown of our request is attached). This funding would significantly enable us to accomplish the following:

- *Building Renovations:* Convert former offices into multi-functional classrooms and improve exterior space to support a variety of educational, art, and fitness programming and events for residents of all ages and abilities. Funds will also be utilized towards future kitchen renovations.
- *Center Operations:* Ensure FCW capacity to adequately operate the community center through supporting center staff, providing needed supplies and services (such as interpreting services to accommodate non-English speaking residents, and more.)
- *Programming:* Help us continue to expand programming offerings, support wider community outreach, and host community events at the center.

The FCW assures the town we will be good stewards of these funds. In partnership, we also are planning two large fundraisers and applying to grants in the coming year. We are happy to answer any questions you have regarding our plans. We are confident that every dollar invested into the community center will have a resounding impact on the Fairview and Hillsborough community.

Sincerely,

Faylor Riley

Faylor Riley
President
Fairview Community Watch

Fairview Community Watch 2022 Year in Review

Programming

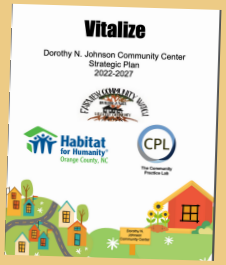
The FCW has offers a diverse set of programming for residents of all ages and abilities, including:

- **Fairview Youth in Action**: The high-school aged interns in the paid summer program attended workshops, led community clean ups, attended community garden work days, and hosted Walk Fairview Day.
- **Histories and Future Visions of Fairview**: The team has collected and transcribed 25 oral histories of Fairview neighbors. An exhibit is planned for early spring 2023.
- **Women on the Move:** FCW (with UNC FFORC) offers weekly exercise classes for women living in Fairview.
- **Preschool Reading Groups:** The reading groups work with preschool children and parents to create reading habits, techniques, and comprehension

Community Planning

Working with partners from UNC Chapel Hill, the FCW has facilitated two neighborhood planning processes to inform and guide our work, including:

- **Vitalize:** The Dorothy N. Johnson Community Center Strategic Plan 2022-2027 outlines initial growth of the community center. This plan, created with support from UNC's Community Practice Lab, addresses items such as: Funding, Staffing, Center Operations, Building Renovations, and Community Outreach.
- **Activate:** The Fairview Active Living Plan 2022-2027 is a youth-driven, community-engaged plan that outlines goals, objectives, and recommendations to improve and make Fairview, a healthier and more active place to live. The plan designed by UNC FFORC addresses elements (such as walking, biking, and public transit) that work to promote active communities.



Gatherings and Events

The FCW organized a variety of community gatherings and events, including:

- **Walk Fairview Day:** A neighborhood walk and pop-up demonstration event aimed to increase awareness around ways to make Fairview a safer and more active place to live.
- **Fairview Fall Bazaar:** The community block party and craft fair offered a variety of foods and hand-made crafts made by Fairview neighbors. Foods included tacos, pupusas, fish, sushi, chili dogs and more.
- **Spring Fling:** The FCW is planning a spring fling in April 2023. The event will showcase the oral history collection, offer a community bike ride, and have lots of tasty food and good music.

Neighborhood Improvements

Working with the Town of Hillsborough and Habitat for Humanity, the FCW coordinated a variety of improvements at the center and neighborhood.

- **Community Center Projects:** Throughout 2022, the FCW (and Habitat) hosted three volunteer days to paint the future classrooms. More paint days are scheduled for 2023. The Town is also planning to install new benches, add a picnic table, paint the building exterior and re-stripe the parking lot.
- **Renovation Plans:** The FCW is fundraising for larger renovations at the community center. Renovations will support improved meeting and educational spaces, a community kitchen, murals, and more.
- **Road Safety Improvements:** Working with the Town, a yellow stripe was painted on Rainey Ave. More safety improvements to reduce speeding are planned.

Dororthy Johnson Community Center
FY24 Proposed Budget

I.	**General Building Improvements**	
A.	Classrooms	$20,000
	1. Remove carpet and add non-skid (LVP) flooring to (3) classrooms	
	2. Renovation of hallway bathroom into storage space	
	2. Purchase furniture (tables, chairs, storage, lighting)	
	3. Hang white boards & peg boards in classroom and hallway	
	4. General supplies (art room, resource library)	
B.	Exteror Improvements	$7,000
	1. Remove existing grill and replace with new charcoal gril	
	2. Install community bulletin board	
	3. General supplies	
C.	General Building Improvements	$3,000
	Subtotal	$30,000
II.	**Center Operations**	
A.	Staffing	$10,000
	1. Center Assistant	
	2. Center Support Staff	
B.	General Operations	$4,000
	1. Security System	
	2. Phone	
	3. Interpreting Services	
C.	Programming	$6,000
	1. Community Events (2)	
	2. General Programming	
	Subtotal	$20,000
	Total	**$50,000**

Contingency

Contingency

FY2024 Operating & Capital Budget

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. Contingency allocation cannot exceed 5 percent of all other appropriations in the same fund.

FY23 Major Accomplishments

- N/A

FY24 Major Budget Changes

- N/A

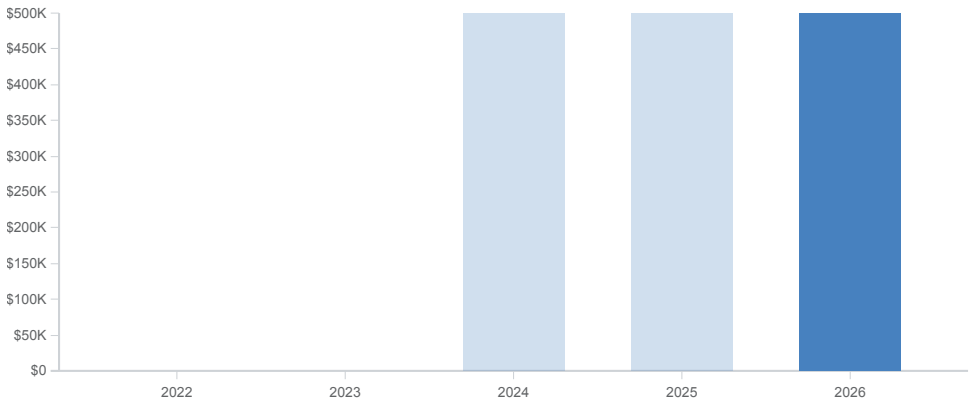
Financial Forecast

- N/A

Expenditures by Category

10-00-9990 - Contingency

Data Updated May 09, 2023, 10:12 AM



$500,000.00
Expenses in 2026

Department Expenditure Summary

10-00-9990 - Contingency

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$0	$0	$500,000	$500,000	$500,000
TOTAL	**$0**	**$0**	**$500,000**	**$500,000**	**$500,000**

Water & Sewer Fund

Water & Sewer Fund

FY2024 Operating & Capital Budget

Revenues

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Licenses/Permits/Fees	$11,045,871	$11,111,764	$11,669,500	$12,356,360	$13,084,460
Fund Balance Appropriated	$0	$472,429	$2,575,719	$1,785,842	$2,317,848
Other	$948,263	$110,000	$10,000	$10,000	$10,000
Interest	$1,348	$14,007	$10,000	$10,000	$10,000
TOTAL	**$11,995,483**	**$11,708,200**	**$14,265,219**	**$14,162,202**	**$15,422,308**

Expenditures

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Water and Sewer					
Administration of Enterprise	$2,073,696	$2,565,772	$3,037,173	$2,974,206	$3,040,952
Wastewater Treatment Plant	$2,235,409	$2,381,388	$2,497,934	$2,487,405	$2,438,981
Wastewater Collection	$1,242,011	$1,386,682	$2,624,557	$1,786,152	$2,541,318
Water Distribution	$1,152,729	$1,428,025	$1,409,831	$2,231,710	$2,735,543
Water Treatment Plant	$1,449,298	$1,257,753	$1,762,526	$1,634,695	$1,743,734
West Fork Eno Reservoir	$878,724	$937,317	$903,762	$911,155	$896,180
Billing & Collections	$668,521	$833,239	$866,379	$871,309	$876,363
Utilities Administration	$476,127	$842,009	$763,057	$865,570	$749,237
Transfer to Water/Sewer CRF	$261,832	$76,015	$0	$0	$0
WATER AND SEWER TOTAL	**$10,438,345**	**$11,708,200**	**$13,865,219**	**$13,762,202**	**$15,022,308**
General Government/Water and Sewer/Stormwater					
Contingency	$0	$0	$400,000	$400,000	$400,000
GENERAL GOVERNMENT/WATER AND SEWER/STORMWATER TOTAL	**$0**	**$0**	**$400,000**	**$400,000**	**$400,000**
Non-Departmental					
Non-Departmental	-$1,772,541	$0	$0	$0	$0
NON-DEPARTMENTAL TOTAL	**-$1,772,541**	**$0**	**$0**	**$0**	**$0**
TOTAL	**$8,665,804**	**$11,708,200**	**$14,265,219**	**$14,162,202**	**$15,422,308**

Financial Summary

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Revenues	$11,995,483	$11,708,200	$14,265,219	$14,162,202	$15,422,308
Expenses	$8,665,804	$11,708,200	$14,265,219	$14,162,202	$15,422,308
REVENUES LESS EXPENSES	**$3,329,678**	**$0**	**$0**	**$0**	**$0**

Fund Balance

	FY22 Actual	FY23 Estimate	FY24 Budget	FY25 Projection	FY26 Projection
Fund Balance Appropriation		$472,429	$1,660,259	$1,785,842	$2,317,848
Balance	$11,408,397	$10,935,968	$9,275,709	$7,489,867	$5,172,019
FUND BALANCE %	**131.6%**	**93.4%**	**65.0%**	**52.9%**	**33.5%**

Water & Sewer Surplus/(Deficit): No Rate Increase

	Water Operations			Sewer Operations		
Continuation	**FY24**	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
Administration of Enterprise	$ 1,876,522	$ 1,836,017	$ 1,880,064	$ 1,150,126	$ 1,125,300	$ 1,152,298
Utilities Administration	$ 378,436	$ 387,158	$ 423,034	$ 262,981	$ 269,042	$ 293,973
Billing & Collections	$ 537,155	$ 540,212	$ 543,345	$ 329,224	$ 331,097	$ 333,018
Water Treatment Plant	$ 1,702,526	$ 1,634,695	$ 1,743,734	$ -	$ -	$ -
West Fork Eno Reservoir	$ 903,762	$ 911,155	$ 896,180	$ -	$ -	$ -
Water Distribution	$ 1,225,294	$ 1,253,846	$ 1,302,679	$ -	$ -	$ -
Wastewater Collection	$ -	$ -	$ -	$ 1,365,045	$ 1,376,087	$ 1,403,596
Wastewater Treatment Plant	$ -	$ -	$ -	$ 2,397,934	$ 2,422,405	$ 2,438,981
Contingency	$ 236,000	$ 236,000	$ 236,000	$ 164,000	$ 164,000	$ 164,000
Total Expenditures	**$ 6,859,695**	**$ 6,799,082**	**$ 7,025,037**	**$ 5,669,310**	**$ 5,687,932**	**$ 5,785,865**
Continuation +/-	**$ (1,289,215)**	**$ (1,228,602)**	**$ (1,454,557)**	**$ (198,290)**	**$ (216,912)**	**$ (314,845)**

	Water Operations			Sewer Operations		
Continuation + Expansion	**FY24**	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
Administration of Enterprise	$ 1,883,047	$ 1,844,008	$ 1,885,390	$ 1,154,126	$ 1,130,198	$ 1,155,562
Utilities Administration	$ 450,204	$ 510,686	$ 442,050	$ 312,853	$ 354,884	$ 307,187
Billing & Collections	$ 537,155	$ 540,212	$ 543,345	$ 329,224	$ 331,097	$ 333,018
Water Treatment Plant	$ 1,762,526	$ 1,634,695	$ 1,743,734	$ -	$ -	$ -
West Fork Eno Reservoir	$ 903,762	$ 911,155	$ 896,180	$ -	$ -	$ -
Water Distribution	$ 1,409,831	$ 2,231,710	$ 2,735,543	$ -	$ -	$ -
Wastewater Collection	$ -	$ -	$ -	$ 2,624,557	$ 1,786,152	$ 2,541,318
Wastewater Treatment Plant	$ -	$ -	$ -	$ 2,497,934	$ 2,487,405	$ 2,438,981
Contingency	$ 236,000	$ 236,000	$ 236,000	$ 164,000	$ 164,000	$ 164,000
Total Expenditures	**$ 7,182,525**	**$ 7,908,466**	**$ 8,482,242**	**$ 7,082,694**	**$ 6,253,736**	**$ 6,940,066**
Continuation + Expansion +/-	**$ (1,612,045)**	**$ (2,337,986)**	**$ (2,911,762)**	**$ (696,214)**	**$ (782,716)**	**$ (1,469,046)**

Water & Sewer Surplus/(Deficit): 6% Rate Increase

	Water Operations			Sewer Operations		
Rate	**FY24**	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
6% per year rate increase	$ 325,200	$ 669,912	$ 1,035,307	$ 322,800	$ 664,968	$ 1,027,666
Continuation + Expansion +/-	**$ (1,286,845)**	**$ (1,668,074)**	**$ (1,876,455)**	**$ (373,414)**	**$ (117,748)**	**$ (441,380)**

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Water & Sewer Fund

Department	Request	Description	FY24.	FY25.	FY26.
Utilities Administration	Increased GIS Services	Update public and private service line mapping, benefitting lead and copper compliance and new development data.	50,000	50,000	-
Utilities Administration	Jordan Lake Phase IV Allocation Evaluation	Evaluate access of Jordan Lake allocation through OWASA Booster Pump Station.	-	35,000	-
Utilities Administration	Sewer Hydraulic Model Scenarios	Updates to the model as well as supplemental modeling scenarios are needed to ensure the model continues to accurately depict existing system conditions as well as provide necessary modeling support to future CIP projects and more accurate responses to development inquiries.	40,000	-	-
Utilities Administration	Sewer Lift Station Abandonment Analysis	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.	-	95,000	-
Utilities Administration	Utilities Administrative Assistant	Hire a part time administrative assistant (remote work) to help the department, mainly the collection and distribution division. Only W&S Impact shown; GF IT impact removed.	-	22,730	22,230
Utilities Administration	Water Modeling Software	Purchase the necessary annual licensure to allow current staff to run the hydraulic model as needed for smaller projects or on an as-needed basis.	10,000	10,000	10,000
Water Treatment Plant	Disinfection Process Evaluation	Evaluate switching the Town's water disinfection treatment method to aqueous chlorine, such as sodium hypochlorite (bleach), that can be safely transported and stored.	60,000	-	-
Water Distribution	Adron Thompson Facility Renovation & Expasion	Start renovation in FY24. Debt service on financed project: $3M at 5% for 20 years.	-	240,728	240,728
Water Distribution	Galvanized Water Main Replacement	Replace 2" galvanized mains and upsize to 6" main, and fire protection. 1.45 miles of galvanized main.	-	100,000	200,000
Water Distribution	Hassel Water Tank Replacement	Replace elevated water tank (1930s) with new elevated water tank. Tank size ideally increased to 500k gallons. Would help Central Pressure Zone.	-	150,000	300,000
Water Distribution	Hydrant & Valve Project	Replace old hydrants & install watch valves on the hydrant legs where needed. Install new valves and piping per study.	-	270,000	275,000
Water Distribution	Large Meter Calibration Program	Test and calibrate meters to accurately read usage of largest customers.	-	15,000	15,000
Water Distribution	OWASA Booster Pumping Station	Build booster pump station to receive water from OWASA in times of need. Provides system redundancy. Can send water to OWASA by gravity. BRIC grant covering $1.01M, $565,600 in remaining 2018 Series Bond Proceeds covering difference. No additional impact to W&S Fund.	-	-	-

Department	Request	Description	FY24.	FY25.	FY26.
Water Distribution	System Wide Pressure Gauges	Allow Town staff to monitor pressures with hydrant mounted pressure gauges and trend the data online.	91,000	6,000	6,000
Water Distribution	US-70 Business Water Improvements	Replace 12" AC water main with 16" ductile iron water main (4,900 lf btw HWY 86 to HWY 70A and 4,320 lf btw Churton St and HWY 86). SDFs cover yr-1, yr-2 and portion of yr-3 costs. First debt payment FY27.	-	-	-
Water Distribution	Water Distribution System Master Plan Improvements	Implement the CIP recommendations of the anticipated Water Distribution Master Plan which should be completed in fall 2023.	-	200,000	400,000
Water Distribution	Water Main Rehab & Replacement	Maintain a budget to repair and replace water lines as found to be deficient in the distribution system.	80,000	80,000	80,000
Water Distribution	Water & Sewer Air Release Valve Replacements	Install new air release valves where needed to enhance system performance. An automatic air release valve provides a critical role in pressurized piping systems such as our water system and sewer force mains. FY24-offset by applying remaining 2018 Series Bond proceeds.	29,074	75,000	75,000
Wastewater Collection	Elizabeth Brady Pump Station & Force Main Upgrade	Expand sewer pumping station and force amil to Wastewater Treatment Plant for 2040 conditionss. Capital Facility Fees - $300k in FY24; First debt payment FY26: $4.15M at 5% for 10 years.	-	-	537,444
Wastewater Collection	Eno River Interceptors	Replace outdated infrastructure to meet committed and project growth. First debt payment FY26: $5.05M at 3% for 20 years (State Revolving Loan)	-	-	339,439
Wastewater Collection	Exchange Club Interceptors	Replace 2,250 LF of gravity sewer to either 15 or 18 inch. First debt payment FY27.	190,000	20,000	20,000
Wastewater Collection	Message Boards	Message board for traffic information related to utility maintenance and repairs.	20,000	-	-
Wastewater Collection	River Pump Station Upgrade	Relocate pump station, which is approaching capacity limitations, from out of the floodplain. Stations receives wastewater from over 75% of town. TOH BRIC Grant Match - No impact to operating budget: Cap Fees cover $27,386; Perpetual Maintenance to cover $915,460	-	-	-
Wastewater Collection	Train Station Pump Station	Design of a public sanitary sewer pumping station on space allocated at the proposed train station site.	-	150,000	-
Wastewater Collection	Utility Mechanic I	Additional position ensures the division keeps up with all state requirements/regulations on the sewer system and helps with the daily workload and sewer calls. W&S Impact shown; GF IT impact removed. Includes $70K vehicle purchase in FY24.	119,515	82,201	82,975
Wastewater Treatment Plant	VFD & MCC Monitoring	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.	-	65,000	-
Wastewater Treatment Plant	Wastewater Master Planning/Optimization	Completion of a holistic master plan that includes a study of unconventional technologies available to comply with the Falls Lake Rules.	100,000	-	-

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Unfunded Requests

FY2024 Operating & Capital Budget

Water & Sewer Fund

Department	Request	Description	FY24.	FY25.	FY26.
Water Treatment Plant	Compact Work Truck	Would be used for gathering samples, performing inspections, flushing, and tranporting pumps and equipment. Currently use a loaner truck from Fleet for this purpose, so availabiliy of the truck is variable.	38,080	1,000	1,000
Wastewater Treatment Plant	New Compact Truck	Would be used for hauling samples, tubing, hoses, hand tools, meters, and staff. Unfunded - Identify alternative vehicle w/in existing fleet.	26,750	1,000	1,000

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Key Operations

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

FY23 Major Accomplishments

- N/A

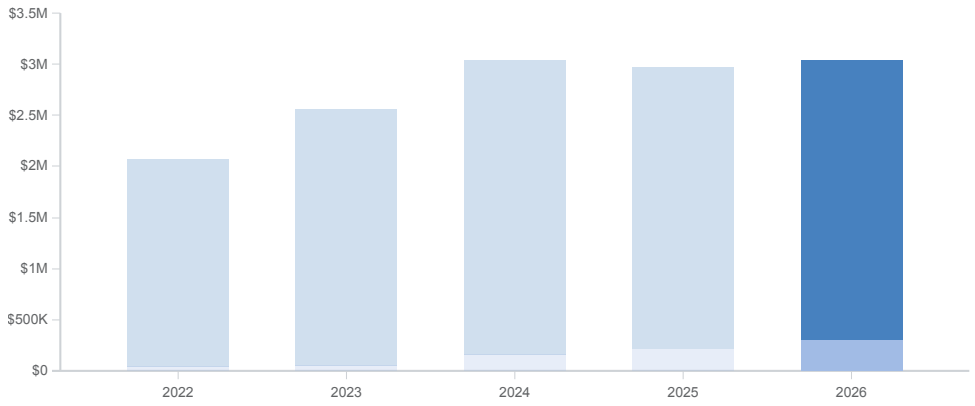
FY24 Major Budget Changes

- N/A

Financial Forecast

- N/A

Expenditures by Category



$3,040,951.54
Expenses in 2026

Department Expenditure Summary

30-80-7200 - Administration of Enterprise

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Cost Allocations	$2,030,204	$2,512,083	$2,871,948	$2,760,981	$2,750,727
Operating	$42,295	$53,689	$165,225	$213,225	$290,225
Personnel	$1,197	$0	$0	$0	$0
TOTAL	**$2,073,696**	**$2,565,772**	**$3,037,173**	**$2,974,206**	**$3,040,952**

Key Operations

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.

FY23 Major Accomplishments

- Eliminated vacant utilities analyst position and replaced with environmental engineering supervisor position.
- Eliminated vacant lead inspector position and replaced with civil engineering technician.
- Tracked inspections for data collection.
- Made edits and updates to GIS mapping.
- Implemented newly adopted development and hydrant tampering fees.
- Worked on several Water and Sewer Extension Contracts and development initiatives.
- Revised technical specifications and town code.
- Performed fire flow modeling on the water system and other related analysis.
- Bid Lawndale rehabilitation project.
- Updated BOC on sewer capacity.
- Submitted several grant and loan applications.
- Executed contracts for Adron Thompson design, cleaning and CCTV of large interceptors, and other smaller projects.
- Attended NCRWA and NC One Water conferences for professional development and networking and misc. day seminars and webinars.
- Assisted stormwater and public works several times on various issues. Coordinated a lot with planning on potential developments and interfacing between utility needs and the UDO requirements.
- Submitted for renewal of 5-year system-wide collection system permit.

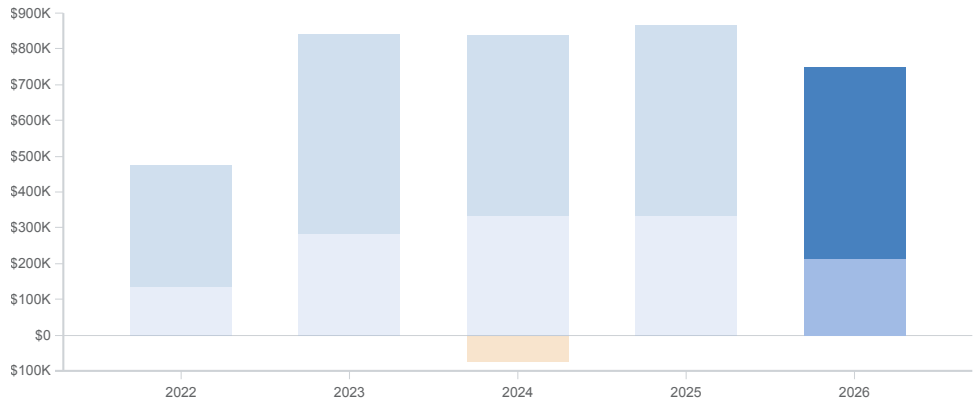
FY24 Major Budget Changes

- Upcoming lead and copper rule requirements for more identification of lead service lines, sampling and notifications.
- Water system master plan modeling (similar to completion of sewer system model effort).
- Heavy emphasis on system upgrade projects and funding opportunities.
- Continued improvements to GIS system and asset management planning along with integrations with work order system.

Financial Forecast

- Material and labor costs are continuing to escalate. Lead times are several months, making project planning very challenging.
- Major capital projects on the collection and distribution side are necessary.

Expenditures by Category



$749,236.86
Expenses in 2026

Department Expenditure Summary

30-80-7220 - Utilities Administration

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$341,129	$559,259	$505,073	$531,246	$535,223
Operating	$134,998	$282,750	$332,984	$334,324	$214,014
Cost Allocations	$0	$0	-$75,000	$0	$0
TOTAL	**$476,127**	**$842,009**	**$763,057**	**$865,570**	**$749,237**

Utilities Administrative Assistant

Personnel Expansion Form (FY24-FY26)

Background

Hire a part time administrative assistant (remote work) to help the department, mainly the collection and distribution division.

Analysis

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.

If we could free up (expensive and valuable) staff time by having a part time admin assist in entering information, updating information like our SOPs and maintenance manuals, preparing and formatting documents, helping organize files and spaces, and performing simpler tasks, we can focus on being out in the field, improving our organization, making our workspaces productive, and ensuring information is complete in Utility Cloud. It is envisioned that this person would be part time and work remotely without benefits, 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.

Recommendation

Approve a part-time remote administrative assistant without benefits on a temporary or permanent basis at a rate of around $15 - $20 per hour.

Personnel Expansion Expenditures

30-80-7220 - Utilities Administrative Assistant

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$0	$22,230	$22,230	$44,459
Operating	$0	$0	$5,229	$1,729	$6,958
TOTAL	**$0**	**$0**	**$27,459**	**$23,959**	**$51,417**

Key Operations

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.

FY23 Major Accomplishments

- Reclassified the Billing Specialist position to Billing and Customer Service Supervisor to allow for direct leadership and point-of-contact for customer service staff.
- Although the office was not officially open to the public, staff has still been able to provide excellent customer service virtually.
- Customer Service staff has willingly assisted the accounting division while the division has been short-staffed.

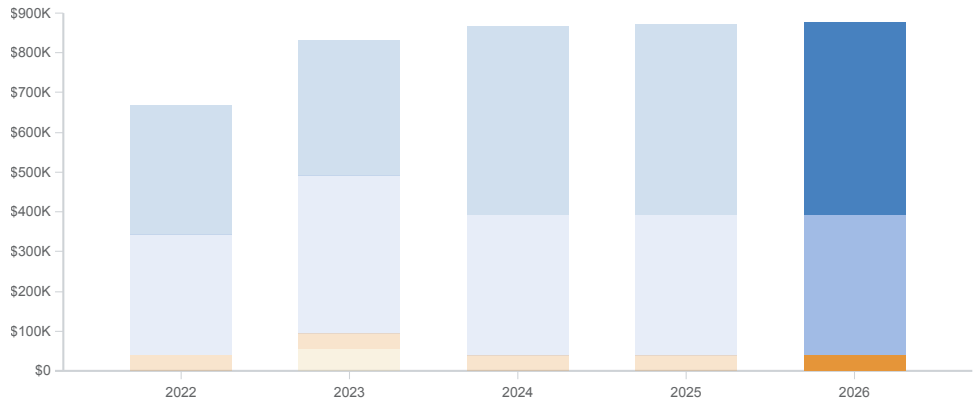
FY24 Major Budget Changes

- Increase training budget.

Financial Forecast

- Revisit tampering fees and other meter-related fees, holding customers accountable for certain violations.

Expenditures by Category



$876,362.81
Expenses in 2026

Department Expdenditure Summary

30-80-7240 - Billing and Collections

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$326,543	$341,579	$474,769	$479,003	$483,287
Operating	$302,853	$396,915	$352,485	$353,181	$353,951
Debt Service	$39,125	$39,125	$39,125	$39,125	$39,125
Capital	$0	$55,620	$0	$0	$0
TOTAL	**$668,521**	**$833,239**	**$866,379**	**$871,309**	**$876,363**

Water Treatment Plant

FY2024 Operating & Capital Budget

Key Operations

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.

FY23 Major Accomplishments

- Paving Project – Much of the paving and curbing behind the water plant was severely damaged. New curbing and asphalt were installed.
- Control Systems Expansion – A new control panel and upgrades to the control software was completed to add additional process monitoring, data acquisition, and automatic controls.
- Purchase New Emergency Power Switchgear – The old automatic emergency power transfer switchgear (ATS) had been damaged beyond repair by water infiltration and acidic fumes. A new ATS was ordered. However, delivery time for the new ATS is approximately one year so the ATS will not be installed until next fiscal year.
- Electrical Grounding Issues - The water plant had historically been plagued with electrical issues. Serious grounding issues were discovered and repaired. Additionally, the electrical spikes caused by the grounding issue resulted in damage to relays, switches, and other electronics throughout the plant. The filter control panel was proactively serviced with new relays and switches. Now, the electrical issues in the plant have been greatly reduced.
- Chemical Pump Replacements – Several of the chemical pumps previously used had proven to be problematic and unreliable. New pumps were purchase at a greatly reduced price when compared to the old pumps. The new pumps have proven to be more accurate and reliable than the old pumps. Staff expects to see long-term cost savings with the new pumps.
- Preventative Maintenance – New preventative maintenance procedures have been developed and implemented. Staff believes the new procedures will greatly reduce equipment failures and prolong the life of the equipment.

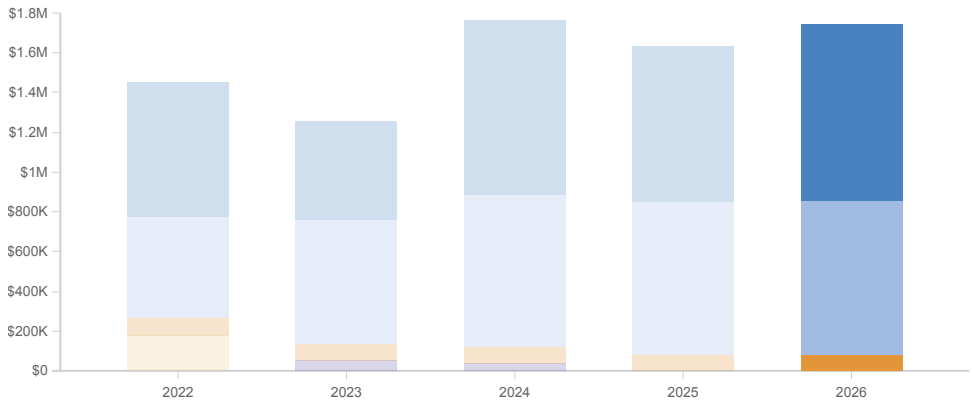
FY24 Major Budget Changes

- Install New Emergency Power Switchgear – The ATS purchased in FY23 will need to be installed in FY24.
- Evaluation of the Disinfection Process – The evaluation will look at disinfection alternatives in an attempt to improve the process and reduce public safety concerns.
- New Compact Work Truck – A new truck is needed to gather samples, flush distribution lines, complete inspections, and gather supplies.

Financial Forecast

- No major budget changes are expected in FY25 or FY26.

Expenditures by Category



$1,743,733.67
Expenses in 2026

Department Expenditure Summary

30-80-8120 - Water Treatment Plant

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$674,007	$497,805	$880,263	$784,520	$890,270
Personnel	$509,731	$623,415	$762,958	$769,897	$775,214
Debt Service	$86,360	$84,333	$82,305	$80,278	$78,250
Interfund Transfers	$179,200	$0	$0	$0	$0
Capital	$0	$52,200	$37,000	$0	$0
TOTAL	**$1,449,298**	**$1,257,753**	**$1,762,526**	**$1,634,695**	**$1,743,734**

West Fork Eno Reservoir

FY2024 Operating & Capital Budget

Key Operations

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.

FY23 Major Accomplishments

- Updated the 20+ year old flow transmitter and level transducer.
- Added conservation signage around the perimeter of the reservoir.
- Secured a new vendor for beaver dam removal and for mowing.
- Hired company that originally cleared for phase 2 to come back and cut down regrowth (partially complete).
- Signed Phase IX contract for Triangle Area Water Supply Monitoring Project through June 2027, which will include added PFAS at the WFER and near the Hillsborough USGS gauge on the Eno River.

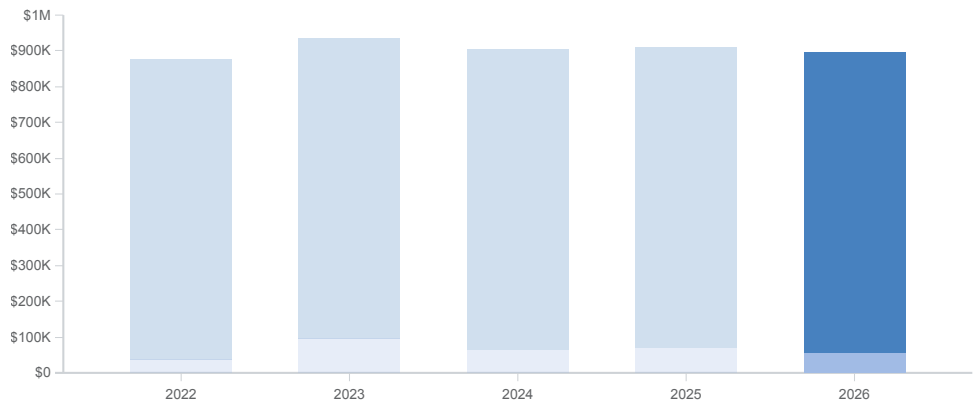
FY24 Major Budget Changes

- Provide additional fencing around gate access as there is evidence of vehicle trespass.
- Add larger entrance signs at drives stating no trespassing.
- Secure multi-year slope mowing contract.
- Replace rotting steps to control platform and tower.

Financial Forecast

- Consultant dam inspection.
- Touch up of access roads, continued mowing and beaver control.
- Sediment survey based upon consultant recommendation.

Expenditures by Category



$896,180.00
Expenses in 2026

Department Expenditure Summary

30-80-8130 - West Fork Eno Reservoir

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Debt Service	$839,821	$840,375	$839,737	$839,960	$839,960
Operating	$38,902	$96,942	$64,025	$71,195	$56,220
TOTAL	**$878,724**	**$937,317**	**$903,762**	**$911,155**	**$896,180**

Water Distribution

FY2024 Operating & Capital Budget

Key Operations

Maintain 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, federal and North Carolina Department of Environmental Quality-Division of Water Resources - Public Water Supply Section regulations and requirements.

FY23 Major Accomplishments

- A leak audit was completed for the entire distribution system and all leaks have been fixed.
- Performed some valve exercising, but much more to do.
- Completed spring burn-out.
- Changed run times on the automatic blow-offs to save non-revenue water.
- Evaluated system looping and fire flow.
- Created risk and resiliency plan and updated emergency response plan.
- Evaluated/created several standard operating procedures (SOPs), including operating the interconnections and water main breaks. Pictures where added to the interconnection (SOP's).
- Began design of Adron F. Thompson facility upgrade.
- Applied for federal grant funds for the booster pump needed to receive water from OWASA.

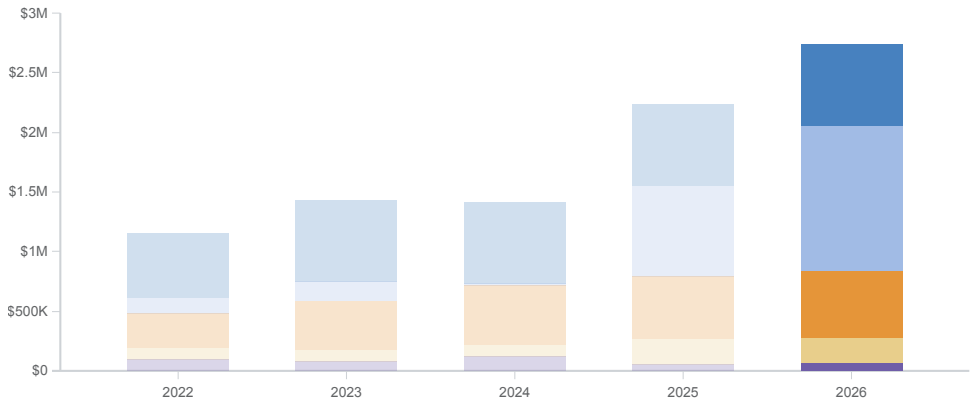
FY24 Major Budget Changes

- Adron F. Thompson Facility upgrade split with Wastewater Collection Division.
- Replace 6" PVC water line on Governor Burke Rd. (partially funded).
- Fire hydrant & valve replacement project continuation.
- 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).
- Large meter calibrations.

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.
- Staff continues to share tight quarters in the Adron F. Thompson facility having one decent bathroom and no HVAC in the front part of the building. A welding shop without adequate ventilation system is another concern as is new equipment sitting out in the elements due to no available cover as well as employee health concerns.

Expenditures by Category



$2,735,543.12
Expenses in 2026

Department Expenditure Summary

30-80-8140 - Water Distribution

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$544,750	$675,740	$675,964	$682,176	$688,609
Interfund Transfers	$125,000	$170,592	$14,537	$757,500	$1,212,500
Operating	$294,850	$405,023	$497,860	$520,200	$552,600
Debt Service	$94,122	$101,470	$101,470	$221,834	$221,834
Capital	$94,007	$75,200	$120,000	$50,000	$60,000
TOTAL	**$1,152,729**	**$1,428,025**	**$1,409,831**	**$2,231,710**	**$2,735,543**

Wastewater Collection

FY2024 Operating & Capital Budget

Key Operations

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 also installs new sewer lines and service taps. The division is regulated by the North Carolina Department of Environmental Quality - Division of Water Resources.

FY23 Major Accomplishments

- 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.
- In the process of 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 we are in the process of 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 six pump station panels upgraded.
- Design contract for Adron F. Thompson facility.

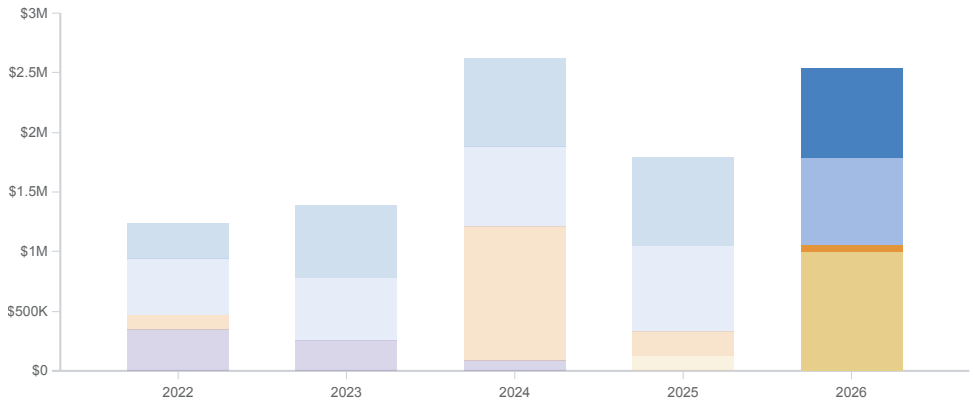
FY24 Major Budget Changes

- Collection system infrastructure rehabilitation and replacement ($10M+).
- Utility Mechanic I ($111,484).
- Adron F. Thompson Facility upgrade ($2.25M) split with distribution.
- River pumping station upgrade ($8M). Possible grant assistance from FEMA. Design in FY23, construction through FY25.
- In-house sewer rehabilitation and replacement ($150,000).

Financial Forecast

- The collection system has many needs due to its age and its need to accommodate upcoming development. Increased sewer rehabilitation and replacement is required along with upsizing of interceptors and pumping stations. The model and a condition assessment have helped prioritize areas for rehabilitation and replacement in the system.
- Staff continues to share tight quarters in the Adron F. Thompson Facility, a facility found to have some lead, one decent bathroom and no HVAC in the front part of the building. A welding shop without adequate ventilation system is another concern as is new equipment sitting out in the elements due to no available cover.
- 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



$2,541,318.23
Expenses in 2026

Department Expenditure Summary

30-80-8200 - Wastewater Collection

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$297,050	$610,433	$736,710	$735,950	$758,050
Personnel	$472,259	$526,746	$677,850	$722,338	$728,521
Interfund Transfers	$125,000	$0	$1,119,997	$207,500	$57,500
Debt Service	$0	$0	$0	$120,364	$997,247
Capital	$347,701	$249,503	$90,000	$0	$0
TOTAL	**$1,242,011**	**$1,386,682**	**$2,624,557**	**$1,786,152**	**$2,541,318**

Utility Mechanic

Personnel Expansion Form (FY24-FY26)

Background

This position would help ensure the division keeps up with all state requirements/regulations on the sewer system; help with the daily workload and sewer calls; help with assessing the sewer system for inflow/infiltration (I/I), roots and the integrity of the sewer gravity lines by CCTV; help with smoking and jetting; help with inspecting all the manholes in the sewer system every five years; do the weekly inspections on sewer pump stations that is required by the state and oversee the water booster stations and water tanks that are in the water system; check on the hot spots every Friday to help prevent after-hour calls and overtime; respond after every storm rain event by checking sewer aerials and clearing of debris; help with routine maintenance on pumpdowns, megohms and MISSION SCADA Units every six months; help with repairs and maintenance on all pumping stations; and help with point repairs on sewer gravity lines and force mains. The town is poised to assume ownership of several new miles of sewer and water infrastructure in the coming two to five years.

Things that are not getting done that are imperative to the proper operation of the system include: manhole inspections, air relief valve exercising/replacements, flow metering and flow meter calibration, routine instead of reactive line cleaning, proactive pipe and pumping station point repairs, identifying areas of root control needs, and much more. There are a few hundred open collection system work orders from several years ago that need to be verified and either closed or work completed. Other utilities can be organized to have a dedicated team of pumping station mechanics. Often they are part of the treatment plant group. Other utilities use collection system staff. In Hillsborough our collection system staff is not solely focused on the pumping stations as they are doing much more as described above. Additionally, some tasks take a 2-person crew at minimum. Having an equal number of staff (six total) will allow pairing into teams with focus on certain tasks.

Analysis

This position will support the town's priority of "Running the Operations" (Excel at Staff and Logistical Support, Provide Responsive and Dependable Services) and "Manage Resources" (Invest in Infrastructure, Deliver Services Efficiently) as well as "Develop Know-How" (Skilled and Diverse Workforce). Of the current five positions and supervisor that are focused on the sewer system, the one with the most system knowledge and electrical expertise is eligible to retire at any time. From a succession planning standpoint, it often takes years to learn the whole system and become effective. It is important that we bring additional staff on board for the reasons stated above and also so the person with system knowledge can spend more time imparting historical knowledge and guiding the team for future sustainability. For several months, this team has been 1 - 2 people down due to illness or retirement.

Recommendation

Approve this position which will provide additional assistance with necessary tasks and provide additional coverage for staff absences.

Personnel Expansion Expenditures

30-80-8200 - Utility Mechanic

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$38,625	$76,371	$77,045	$192,041
Capital	$0	$70,000	$0	$0	$70,000
Operating	$0	$15,913	$7,853	$7,953	$31,719
TOTAL	**$0**	**$124,538**	**$84,224**	**$84,998**	**$293,760**

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Key Operations

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.

FY23 Major Accomplishments

- New position - Previously, the wastewater plant only had one maintenance technician to facilitate equipment installation, maintenance, and repairs. When the one position was vacated or the technician was out for extended personal leave, the operating staff would have to fill in to complete the maintenance needs around the plant. Since the operators do not have the knowledge or skills of a maintenance technician, some of the work was either outsourced or neglected. A second maintenance technician was added to the staff to provide the redundancy of equipment knowledge and provide additional on-call availability. Adding a second maintenance technician also creates a safer working environment by eliminating the need for working alone.
- New Plants Maintenance Division - The water plant also only had only one maintenance technician. By combining all three technicians together into a plants maintenance division, the water plant can reap the same benefits as the wastewater plant without adding another costly position. All three technicians will be trained to perform the maintenance duties of both plants and that cross-training greatly expands the on-call availably for both plants.
- Completed Risk and Resiliency Plan and updated Emergency Response Plan - The previous Emergency Response Plan was last updated in 2005. That plan was not specific to the wastewater plant and contained a significant amount of information that was not relevant. Additionally, the Emergency Response Plan did not include a Risk and Resiliency Plan. Utilizing the style and format of the water plant's Risk and Resiliency Plan and updated Emergency Response Plan completed in FY22, staff created a new Risk and Resiliency Plan and updated the Emergency Response Plan specifically for the wastewater plant.
- CL2 and SO2 Protection - A Risk and Vulnerability Assessment for the wastewater plant was completed in 2019. Every year we identify a risk to reduce or eliminate. After seeing that Duke Energy is experiencing damage to their electrical substations by high-power rifles, we elected to add protection to our stored gas Chlorine and Sulfur Dioxide containers by adding a large and thick metal plate to hide the bottles and protect the bottles from gun fire.
- Water Quality Permit Violation - In April of 2022, we received our first water quality violation in over 17-years. The violation was for a failed Whole Effluent Toxicity test. Subsequent expanded testing did not result in any other test failures. The cause of the test failure is unknown. No remedial actions were taken.
- Expanded LED Lighting - The wastewater plant continues to try to expand our environmental conservation efforts. This year we added more outside LED lighting and plan to continue this effort when possible.
- Installed Butterfly Garden at Administration Building - A new butterfly garden was installed around the front of the plant's administration building. The garden not only attracted several species of butterflies and insects, but also some really cool birds like Winter Wrens, Golden Crowned Kinglets, and Blue-headed Vireos!
- Clarifiers Protective Coatings Restoration - The wastewater plant has two very large clarifiers. The metal structures installed during the last plant upgrade were painted with a protective coating.

However, that coating failed, and the metal was rusted and corroded. A grant was used to fund the $176,000 project to install new high-quality coatings to protect the assets.

- Replace Failing Handrail Systems - To help reduce the of risk falls and comply with OSHA regulations, staff continually works to replace all failing handrail in the plant. Most of the handrail was installed in the mid-70s. This year we replaced all the old handrail around the grit removal systems and the influent mixing basin.
- Update CL2 and SO2 feed system - Much of the existing antiquated gas Chlorine and Sulfur Dioxide feed systems were originally installed well over 20-years ago. Since then, several new safety devices for the systems have been developed. New actuators, injectors, and vacuum shut-off valves were installed to help keep staff safe from an accidental gas release.

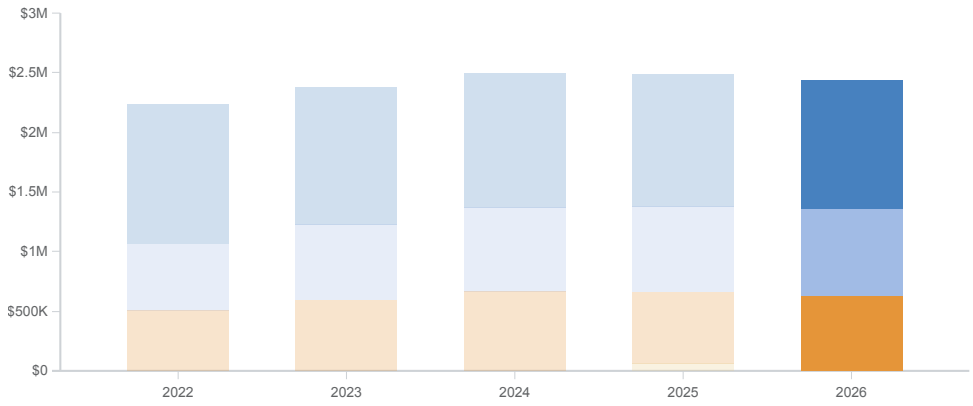
FY24 Major Budget Changes

- $100,000 for Wastewater Plant Master Plan.
- $25,000 for New Light-Duty Compact Truck.
- $3,400 for Additional Monitoring of the Eno River for Upcoming Master Plan.
- $5,000 for Additional Funding for Safety Handrail Panting and Repair.

Financial Forecast

- N/A

Expenditures by Category



$2,438,981.48
Expenses in 2026

Department Expenditure Summary

30-80-8220 - Wastewater Treatment Plant

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Debt Service	$1,174,704	$1,152,842	$1,130,980	$1,109,119	$1,087,257
Personnel	$553,011	$636,033	$708,105	$713,935	$719,823
Operating	$507,694	$592,513	$658,849	$599,351	$631,901
Capital	$0	$0	$0	$65,000	$0
TOTAL	**$2,235,409**	**$2,381,388**	**$2,497,934**	**$2,487,405**	**$2,438,981**

Contingency

FY2024 Operating & Capital Budget

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. Contingency allocation cannot exceed 5 percent of all other appropriations in the same fund.

FY23 Major Accomplishments

- N/A

FY24 Major Budget Changes

- N/A

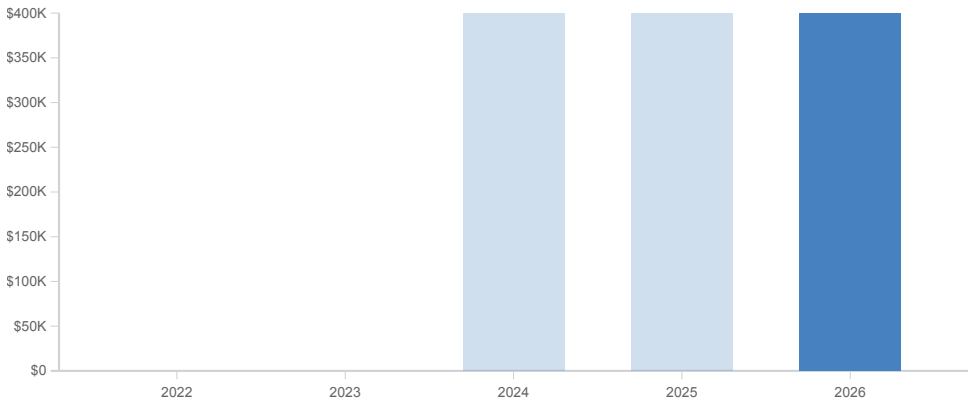
Financial Forecast

- N/A

Expenditures by Category

30-80-9990 - W&S Contingency

Data Updated May 11, 2023, 9:58 AM



$400,000.00
Expenses in 2026

Department Expenditure Summary

30-80-9990 - W&S Contingency

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Operating	$0	$0	$400,000	$400,000	$400,000
TOTAL	**$0**	**$0**	**$400,000**	**$400,000**	**$400,000**

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Stormwater Fund

Stormwater Fund

FY2024 Operating & Capital Budget

Revenues

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Licenses/Permits/Fees	$720,095	$814,630	$716,100	$716,100	$716,100
Fund Balance Appropriated	$0	-$45,001	$275,786	$320,147	$371,955
TOTAL	**$720,095**	**$769,629**	**$991,886**	**$1,036,247**	**$1,088,055**

Expenditures

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Function					
Public Works	$541,969	$769,629	$991,886	$1,036,247	$1,088,055
FUNCTION TOTAL	**$541,969**	**$769,629**	**$991,886**	**$1,036,247**	**$1,088,055**
TOTAL	**$541,969**	**$769,629**	**$991,886**	**$1,036,247**	**$1,088,055**

Financial Summary

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Revenues	$720,095	$769,629	$991,886	$1,036,247	$1,088,055
Expenses	$541,969	$769,629	$991,886	$1,036,247	$1,088,055
REVENUES LESS EXPENSES	**$178,126**	**$0**	**$0**	**$0**	**$0**

Fund Balance

	FY22 Actual	FY23 Estimate	FY24 Budget	FY25 Projection	FY26 Projection
Fund Balance Appropriation		($45,001)	$275,786	$320,147	$371,955
Balance	$1,018,912	$1,063,913	$788,127	$467,980	$96,025
FUND BALANCE %	**188.0%**	**138.2%**	**79.5%**	**45.2%**	**8.8%**

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Funded Requests

FY2024 Operating & Capital Budget

Stormwater Fund

Department	Request	Description	FY24.	FY25.	FY26.
Stormwater	Contingency	Add contingency funds to the Stormwater Fund to cover unanticpated expenses, as well as oppotunities. The General Fund and Water & Sewer Fund already budget contingency funds.	25,000	25,000	25,000
Stormwater	Stormwater Technician	Addition of position to help with workload.	39,961	77,028	77,702
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.	-	40,695	79,720
Stormwater	Mini Excavator & Trailer	The addition of the Equipment Operator position in Public Works will be able to create 2 Stormwater crews. A mini-excavator is needed for this second crew to be effective.	75,300	-	-
Stormwater	Catch Basin Maintenance	Contract out annual catch basin cleaning.	25,000	30,000	35,000
Stormwater	Capital Projects	Funds to address larger stormwater needs. Anticiapte projects will be identified via the state audit anticipated to be completed in 2023.	-	25,000	25,000

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Unfunded Requests

FY2024 Operating & Capital Budget

Stormwater Fund

Department	Request	Description	FY24	FY25	FY26
Stormwater	JetVac Truck	5yr loan = $293k/yr	350,000	-	-

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Key Operations

The Stormwater Management Utility implements the Phase II Stormwater Permit requirements of the National Pollutant Discharge Elimination System 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.

FY23 Major Accomplishments

- IAIA Compliance - successfully completed year 1 of the Interim Alternative Implementation Approach (IAIA), a joint compliance program to meet stage 1 stormwater requirements of the Falls Lake Rules, which included submittal of a new annual report to the state.
- Watershed Improvement Plans - developed the Bellevue Branch Watershed Improvement Plan and SCM Retrofit Plan that will guide selection of future projects that will reduce stormwater runoff pollution and meet regulatory requirements.
- Odie Street GI Project - the first phase of the Odie Street Green Infrastructure Project which included design and construction of bioswales was completed. The project is a partnership with Piedmont Conservation Council and Habitat for Humanity. The project included citizen engagement and the newly installed bioswales are being monitored by NC State's Department of Biological and Agricultural Engineering.
- Stormwater Program Audit - the first ever audit of the town's stormwater program was conducted by NC Department of Environmental Quality.

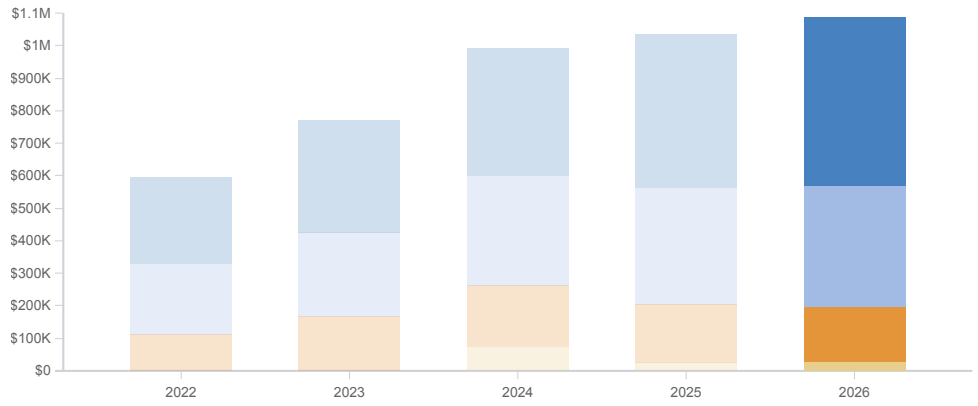
FY24 Major Budget Changes

- Requesting a new stormwater technician position.
- Proposing a stormwater utility fee increase to fund the proposed new stormwater technician position, as well as rising costs of materials.

Financial Forecast

- Complete analysis to determine utility fee needed to meet stormwater needs.

Expenditures by Category



$1,088,054.99
Expenses in 2026

Department Expenditure Summary

35-30-5900 - Stormwater

	2021-22 Actual (Unaudited)	2022-23 Estimate	2023 - 24 Budget	2024-25 Projection	2025-26 Projection
Personnel	$264,455	$343,197	$394,844	$474,957	$517,360
Operating	$218,933	$260,518	$335,882	$355,601	$374,190
Cost Allocations	$110,935	$165,914	$186,160	$180,688	$171,505
Capital	$0	$0	$75,000	$25,000	$25,000
TOTAL	**$594,323**	**$769,629**	**$991,886**	**$1,036,247**	**$1,088,055**

Equipment Operator

Personnel Expansion Form (FY24-FY26)

Background

With the addition of an equipment operator to Public Works in FY24, 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.

Analysis

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 pro-active assessment of the stormwater system will lead to additional workload.

Recommendation

Approve personnel expansion to fill crews and address workload/stormwater maintenance needs.

Personnel Expansion Expenditures

35-30-5900 - Equipment Operator

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$0	$39,485	$78,300	$117,786
Operating	$0	$0	$1,316	$1,526	$2,842
TOTAL	**$0**	**$0**	**$40,801**	**$79,826**	**$120,628**

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Stormwater Technician

Personnel Expansion Form (FY24-FY26)

Background

The Stormwater and Environmental Services Division requests creating a new Stormwater Technician position in FY24. Workload of existing staff has increased significantly. New development remains strong and has added 46 stormwater control measures (SCMs) within the town's jurisdiction since FY17, bringing the current total to 132. The new development has also added new streets that contain stormwater infrastructure that the town is required to inspect and maintain. Compliance with the Falls Lake Rules for stormwater from existing development began in July 2021, which requires the town to complete water quality/watershed improvement projects. Town staff also completed a "gap analysis" that showed some needs for compliance with the town's stormwater permit. An audit of the town's stormwater program is scheduled for 2023.

Analysis

- Third party analysis of the stormwater program indicated a few “gaps” in compliance with the town’s stormwater permit;
- New development since 2017 has resulted in 43 new SCMs bringing the total within the town’s jurisdiction to 132; each SCM must have an annual inspection report reviewed by town staff and includes follow up inspections; each SCM must be inspected by town staff at least once every 5 years;
- New development has increased the number of town streets which contain stormwater infrastructure which must be inspected periodically;
- Public assistance requests have increased significantly, especially in support of new homeowner associations;
- Stormwater staff have increased their involvement in regional efforts such as the UNRBA and Clean Water Education Partnership CWEP;
- Began implementing the IAIA, a joint compliance program through the UNRBA to meet the required Stage 1 Falls Lake Rules for stormwater.

Recommendation

Staff recommends creating and hiring a Stormwater Technician position in FY24.

Personnel Expansion Expenditures

35-30-5900 - Stormwater Technician

Object Type	2022-23	2023-24	2024-25	2025-26	Total
Personnel	$0	$38,441	$76,188	$76,862	$191,491
Operating	$0	$7,087	$2,907	$2,907	$12,901
TOTAL	**$0**	**$45,528**	**$79,095**	**$79,769**	**$204,392**

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Capital Improvement Plan

Capital Improvement Plan Summary

Capital Improvement Plan (FY24-FY30)

Ridgewalk Greenway Phase I	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Transfer from GF	209,003	240,997	-	-	-	-	-
Installment Financing	-	-	-	4,500,000	-	-	-
	209,003	**240,997**	**-**	**4,500,000**	**-**	**-**	**-**
Expenditures							
Engineering	-	450,000	-	-	-	-	-
Construction	-	-	-	4,500,000	-	-	-
	-	**450,000**	**-**	**4,500,000**	**-**	**-**	**-**

Ridgewalk Greenway Phase II	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Transfer from GF	-	-	-	-	800,000	-	-
Installment Financing	-	-	-	-	-	-	8,000,000
	-	**-**	**-**	**-**	**800,000**	**-**	**8,000,000**
Expenditures							
Engineering	-	-	-	-	800,000	-	-
Construction	-	-	-	-	-	-	8,000,000
	-	**-**	**-**	**-**	**800,000**	**-**	**8,000,000**

Skate Park	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Transfer from GF	300,000	-	-	-	-	-	-
Miscellaneous	-	5,300	5,300	5,300	5,300	5,300	5,300
	300,000	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**
Expenditures							
Construction	300,000	-	-	-	-	-	-
Utilities	-	600	600	600	600	600	600
Maintenance	-	2,200	2,200	2,200	2,200	2,200	2,200
Insurance	-	2,500	2,500	2,500	2,500	2,500	2,500
	300,000	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**	**5,300**

Bucket Truck Replacement	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Streets Vehicle Reserve Fund	150,000	-	-	-	-	-	-
Miscellaneous	4,506	-	-	-	-	-	-
	154,506	**-**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Vehicle	150,000	-	-	-	-	-	-
Tax and Tags	4,506	-	-	-	-	-	-
	154,506	**-**	**-**	**-**	**-**	**-**	**-**

NC-86 Renovation	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Debt Issuance	4,500,000	-	-	-	-	-	-
Miscellaneous	22,000	7,000	-	-	-	-	-
	4,522,000	**7,000**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Construction/Admin/IT/Furn.	4,500,000	-	-	-	-	-	-
Rental Building	7,000	7,000	-	-	-	-	-
Data Processing Services	15,000	-	-	-	-	-	-
	4,522,000	**7,000**	**-**	**-**	**-**	**-**	**-**

South Churton Street Improvements	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Transfer from GF	-	-	-	-	-	100,000	-
	-	**-**	**-**	**-**	**-**	**100,000**	**-**
Expenditures							
Miscellaneous/Cost Share	-	-	-	-	-	100,000	-
	-	**-**	**-**	**-**	**-**	**100,000**	**-**

Waterstone Drive Resurfacing	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from General Fund	950,000	-	-	-	-	-	-
	950,000	**-**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Street Resurfacing	950,000	-	-	-	-	-	-
	950,000	**-**	**-**	**-**	**-**	**-**	**-**

Garbage Truck	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Solid Waste Vehicle Replacement Fund	-	-	360,000	-	-	-	-
Miscellaneous	-	-	-	2,006	-	-	-
	-	**-**	**360,000**	**2,006**	**-**	**-**	**-**
Expenditures							
Vehicle	-	-	360,000	-	-	-	-
Tax & Tag	-	-	-	2,006	-	-	-
	-	**-**	**360,000**	**2,006**	**-**	**-**	**-**

Passenger Rail/Multi-Modal Station	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Debt Issuance	560,000	1,170,000	220,000	-	-	-	-
Intergovernmental	5,600,000	650,000	-	-	-	-	-
Miscellaneous	-	-	-	35,000	35,000	35,000	35,000
	6,160,000	**1,820,000**	**220,000**	**35,000**	**35,000**	**35,000**	**35,000**
Expenditures							
Construction	5,600,000	1,600,000	-	-	-	-	-
Contingency	560,000	220,000	20,000	-	-	-	-
Furnishing	-	-	200,000	-	-	-	-
Maintenance/Utilities	-	-	-	35,000	35,000	35,000	35,000
	6,160,000	**1,820,000**	**220,000**	**35,000**	**35,000**	**35,000**	**35,000**

Adron F. Thompson	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Debt Issuance	3,000,000	-	-	-	-	-	-
	3,000,000	**-**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Construction	3,000,000	-	-	-	-	-	-
	3,000,000	**-**	**-**	**-**	**-**	**-**	**-**

Galvanized Water Main Replacement	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
ARPA	-	100,000	-	-	-	-	-
Operating Budget/Transfer from WS Fund	-	100,000	200,000	-	-	-	-
	-	**200,000**	**200,000**	**-**	**-**	**-**	**-**
Expenditures							
Construction	-	200,000	200,000	-	-	-	-
	-	**200,000**	**200,000**	**-**	**-**	**-**	**-**

Hassell Water Tank Replacement	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Grant - AIA	40,000	-	-	-	-	-	-
Operating Budget/Transfer from WS Fund	-	150,000	300,000	15,000	-	-	-
Debt Issuance	-	-	-	3,240,000	-	-	-
	40,000	**150,000**	**300,000**	**3,255,000**	**-**	**-**	**-**
Expenditures							
Preliminary Engineering	40,000	-	-	-	-	-	-
Land Acquisition	-	150,000	-	-	-	-	-
Desing/Permit/Bidding	-	-	300,000	15,000	-	-	-
Construction Administration	-	-	-	240,000	-	-	-
Construction	-	-	-	3,000,000	-	-	-
	40,000	**150,000**	**300,000**	**3,255,000**	**-**	**-**	**-**

Hydrant & Valve Project	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
ARPA	200,000	-	-	-	-	-	-
Operating Budget/Transfer from WS Fund	-	270,000	275,000	-	-	-	-
	200,000	**270,000**	**275,000**	**-**	**-**	**-**	**-**
Expenditures							
Construction	200,000	270,000	275,000	-	-	-	-
	200,000	**270,000**	**275,000**	**-**	**-**	**-**	**-**

OWASA Booster Pumping Station	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
BRIC Grant	1,010,000	-	-	-	-	-	-
Debt Issuance	565,600	-	-	-	-	-	-
	1,575,600	**-**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Permitting	15,000	-	-	-	-	-	-
Construction Administration	115,600	-	-	-	-	-	-
Construction	1,445,000	-	-	-	-	-	-
	1,575,600	**-**	**-**	**-**	**-**	**-**	**-**

US-70 Business Water Improvements	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
System Development Fees	275,000	50,000	520,299	-	-	-	-
Debt Issuance	-	-	1,099,701	1,350,000	-	-	-
	275,000	**50,000**	**1,620,000**	**1,350,000**	**-**	**-**	**-**
Expenditures							
Preliminary Design	-	-	-	1,350,000	-	-	-
Design/Permitting/Bidding	275,000	20,000	-	-	-	-	-
Land Acquisition	-	30,000	-	-	-	-	-
Construction Administration	-	-	120,000	-	-	-	-
Construction	-	-	1,500,000	-	-	-	-
	275,000	**50,000**	**1,620,000**	**-**	**-**	**-**	**-**

Water & Sewer Air Release Valves	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	29,074	75,000	75,000	-	-	-	-
Debt Issuance	120,926	-	-	-	-	-	-
	150,000	**75,000**	**75,000**	**-**	**-**	**-**	**-**
Expenditures							
Bid & Construction	150,000	75,000	75,000	-	-	-	-
	150,000	**75,000**	**75,000**	**-**	**-**	**-**	**-**

Water Distribution Master Plan Improvements	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	-	200,000	400,000	400,000	400,000	400,000	500,000
	-	**200,000**	**400,000**	**400,000**	**400,000**	**400,000**	**500,000**
Expenditures							
Construction	-	200,000	400,000	400,000	400,000	400,000	500,000
	-	**200,000**	**400,000**	**400,000**	**400,000**	**400,000**	**500,000**

Bellevue Mill Interceptor	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	-	-	-	-	140,000	40,000	1,320,000
	-	**-**	**-**	**-**	**140,000**	**40,000**	**1,320,000**
Expenditures							
Survey/Geotech/Design/Bid	-	-	-	-	120,000	-	-
Land Acquisition/Hazardous Waste	-	-	-	-	20,000	40,000	-
Construction Administration	-	-	-	-	-	-	120,000
Construction	-	-	-	-	-	-	1,200,000
	-	**-**	**-**	**-**	**140,000**	**40,000**	**1,320,000**

Cates Creek Outfall	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	-	-	-	1,000,000	-	-	-
State Revolving Loan	-	-	-	-	5,400,000	-	-
	-	**-**	**-**	**1,000,000**	**5,400,000**	**-**	**-**
Expenditures							
Preliminary Engineering	-	-	-	200,000	-	-	-
Design/Permit/Bidding	-	-	-	800,000	-	-	-
Construction Administration	-	-	-	-	400,000	-	-
Construction	-	-	-	-	5,000,000	-	-
	-	**-**	**-**	**1,000,000**	**5,400,000**	**-**	**-**

Elizabeth Brady Pump Station	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Capital Facility Fees	300,000	-	-	-	-	-	-
Debt Issuance	-	4,150,000	-	-	-	-	-
	300,000	**4,150,000**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Design	300,000	-	-	-	-	-	-
Construction Administration	-	150,000	-	-	-	-	-
Construction	-	4,000,000	-	-	-	-	-
	300,000	**4,150,000**	**-**	**-**	**-**	**-**	**-**

Eno River Interceptors	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
State Revolving Loan	-	5,050,000	-	-	-	-	-
	-	**5,050,000**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Construction Administration	-	200,000	-	-	-	-	-
Construction	-	4,850,000	-	-	-	-	-
	-	**5,050,000**	**-**	**-**	**-**	**-**	**-**

Eno River West Interceptor Upgrade	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	-	-	-	350,000	-	-	-
State Revolving Loan	-	-	-	-	1,790,000	-	-
	-	**-**	**-**	**350,000**	**1,790,000**	**-**	**-**
Expenditures							
Survey/Design/Bid	-	-	-	250,000	-	-	-
Land Acquisition	-	-	-	100,000	-	-	-
Construction Administration	-	-	-	-	160,000	-	-
Construction	-	-	-	-	1,630,000	-	-
	-	**-**	**-**	**350,000**	**1,790,000**	**-**	**-**

Exchange Club Interceptors	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	190,000	20,000	20,000	-	-	-	-
State Revolving Loan	-	-	1,250,000	-	-	-	-
	190,000	**20,000**	**1,270,000**	**-**	**-**	**-**	**-**
Expenditures							
Survey/Engineering	140,000	-	-	-	-	-	-
Easements	50,000	-	-	-	-	-	-
Permitting/Bidding	-	20,000	20,000	-	-	-	-
Construction Administration	-	-	150,000	-	-	-	-
Construction	-	-	1,100,000	-	-	-	-
	190,000	**20,000**	**1,270,000**	**-**	**-**	**-**	**-**

River Pump Station	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
BRIC Grant	3,797,175	-	-	-	-	-	-
Capital Facility Fees	27,386	-	-	-	-	-	-
Perpetual Maintenance	915,460	-	-	-	-	-	-
	4,740,021	**-**	**-**	**-**	**-**	**-**	**-**
Expenditures							
Construction Administration	240,021	-	-	-	-	-	-
Construction	4,500,000	-	-	-	-	-	-
	4,740,021	**-**	**-**	**-**	**-**	**-**	**-**

Train Station Pump Station	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	-	150,000	-	-	-	-	-
Debt Issuance	-	-	-	575,000	-	-	-
	-	**150,000**	**-**	**575,000**	**-**	**-**	**-**
Expenditures							
Design	-	150,000	-	-	-	-	-
Construction Administration	-	-	-	25,000	-	-	-
Construction	-	-	-	550,000	-	-	-
	-	**150,000**	**-**	**575,000**	**-**	**-**	**-**

Tertiary Filter Flocculators	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Revenue							
Operating Budget/Transfer from WS Fund	-	-	-	-	-	10,000	180,000
	-	**-**	**-**	**-**	**-**	**10,000**	**180,000**
Expenditures							
Engineering	-	-	-	-	-	10,000	-
Construction	-	-	-	-	-	-	180,000
	-	**-**	**-**	**-**	**-**	**10,000**	**180,000**

PROJECT GRAND TOTALS	22,766,130	12,388,297	4,725,300	11,472,306	8,570,300	590,300	10,040,300

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Ridgewalk Greenway Phase I

Capital Improvement Project (FY24-FY30)

Project Description

For several years, the town has planned to conduct a feasibility study and design/engineer and construct a pedestrian bridge over I-85 to connect the Collins Ridge greenway system to neighborhoods south of I-85. The project is now named Ridgewalk and is expanded to include design, engineering, and construction of the greenway system from the future train station to Cates Creek Park, including a pedestrian bridge over I-85. This project was identified by the Board of Commissioners as a transportation priority in September 2021. The project includes incorporating the greenway connection between the future train station and downtown Hillsborough, which will be designed under the train station design contract. A feasibility study and schematic design of the entire greenway system between downtown Hillsborough and Cates Creek Park is being undertaken in FY23. Engineer cost estimates will be developed as part of the scope of the feasibility project. If the project is found to be not feasible then the project funds for design/engineering and construction would not be needed. The feasibility study is funded with Surface Transportation Block Grant funding available through the Metropolitan Planning Organization. The town was required to provide a 20% local match. It is uncertain if this project will compete well for funding through the Transportation Improvement Plan. The town may have to provide significant funding toward this construction.

Local debt financing is being shown to close the funding gap. Additional funding options, including grants, will be pursued once the feasibility of the project is determined.

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 is critical to providing a safe pedestrian crossing of the interstate. In FY23, a schematic design for the entire greenway system is being developed and studied for feasibility in coordination with designing the pedestrian bridge so that issues/constraints can be identified and accurate cost estimates can be developed for the overall project. 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. For the purposes of this budget we are assuming that design and engineering costs are phased over several years. Funding for design will likely be borne by the town. Once the projects are shovel ready they may be eligible for grants or other shared funding sources.

For the segment between downtown and the train station we are assuming $4M in construction costs and $400k design costs. We are assuming $500k for construction and $50k in design/engineering costs for the segment between the train station and Collins Ridge greenway. We are assuming $8M for construction and $800k for design/engineering of the segment between Collins Ridge and Cates Creek Park. These estimates are best guesses until the feasibility study and early engineering cost estimates are developed in late FY23.

Project Highlights

The feasibility study is the necessary first step in this project and will include a technical memo outlining permitting requirements and site constraints as well as a final narrative report. A construction cost estimate will also be included. 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 Collins Ridge

Phase II: Collins Ridge to Cates Creek Park

Project Expenditures

10-10-6300 - Ridgewalk Greenway Phase I Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$30,000	$209,003	$240,997	$0	$4,500,000	$0	$0
Operating	$120,000	$0	$0	$0	$0	$0	$0
TOTAL	**$150,000**	**$209,003**	**$240,997**	**$0**	**$4,500,000**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$4,980,000
Operating	$0	$120,000
TOTAL	**$0**	**$5,100,000**

Project Revenues

10-10-6300 - Ridgewalk Greenway Phase I Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$0	$4,500,000	$0	$0
Interfund Transfers	$30,000	$209,003	$240,997	$0	$0	$0	$0
Restricted Revenue	$120,000	$0	$0	$0	$0	$0	$0
TOTAL	**$150,000**	**$209,003**	**$240,997**	**$0**	**$4,500,000**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$4,500,000
Interfund Transfers	$0	$480,000
Restricted Revenue	$0	$120,000
TOTAL	**$0**	**$5,100,000**

Ridgewalk Greenway Phase II

Capital Improvement Project (FY24-FY30)

Project Description

For several years, the town has planned to conduct a feasibility study and design/engineer and construct a pedestrian bridge over I-85 to connect the Collins Ridge greenway system to neighborhoods south of I-85. The project is now named Ridgewalk and is expanded to include design, engineering, and construction of the greenway system from the future train station to Cates Creek Park, including a pedestrian bridge over I-85. This project was identified by the Board of Commissioners as a transportation priority in September 2021. The project includes incorporating the greenway connection between the future train station and downtown Hillsborough, which will be designed under the train station design contract. A feasibility study and schematic design of the entire greenway system between downtown Hillsborough and Cates Creek Park is being undertaken in FY23. Engineer cost estimates will be developed as part of the scope of the feasibility project. If the project is found to be not feasible then the project funds for design/engineering and construction would not be needed. The feasibility study is funded with Surface Transportation Block Grant funding available through the Metropolitan Planning Organization. The town was required to provide a 20% local match. It is uncertain if this project will compete well for funding through the Transportation Improvement Plan. The town may have to provide significant funding toward this construction. For the segment between downtown and the train station we are assuming $4M in construction costs and $400k design costs. We are assuming $500k for construction and $50k in design/engineering costs for the segment between the train station and Collins Ridge greenway. We are assuming $8M for construction and $800k for design/engineering of the segment between Collins Ridge and Cates Creek Park. These estimates are best guesses until the feasibility study and early engineering cost estimates are developed in late FY23.

Local debt financing is being shown to close the funding gap. Additional funding options, including grants, will be pursued once the feasibility of the project is determined.

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 is critical to providing a safe pedestrian crossing of the interstate. In FY23, a schematic design for the entire greenway system is being developed and studied for feasibility in coordination with designing the pedestrian bridge so that issues/constraints can be identified and accurate cost estimates can be developed for the overall project. 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. For the purposes of this budget we are assuming that design and engineering costs are phased over several years. Funding for design will likely be borne by the town. Once the projects are shovel ready they may be eligible for grants or other shared funding sources.

Project Highlights

The feasibility study is the necessary first step in this project and will include a technical memo outlining permitting requirements and site constraints as well as a final narrative report. A construction cost estimate will also be included. 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 Collins Ridge

Phase II: Collins Ridge to Cates Creek Park

Project Expenditures

10-10-6300 - Ridgewalk Greenway Phase II Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$0	$0	$0	$800,000	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$800,000**	**$0**

Object Type	2029-30	Total
Capital	$8,000,000	$8,800,000
TOTAL	**$8,000,000**	**$8,800,000**

Project Revenues

10-10-6300 - Ridgewalk Greenway Phase II Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$0	$0	$0	$0
Interfund Transfers	$0	$0	$0	$0	$0	$800,000	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$800,000**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$8,000,000	$8,000,000
Interfund Transfers	$0	$800,000
TOTAL	**$8,000,000**	**$8,800,000**

Skate Park

Capital Improvement Project (FY24-FY30)

Project Description

The Parks and Recreation Board has prioritized the addition of a small-scale skateboarding park ("skate spot") to Cates Creek Park. There has been community interest in a skate park in Hillsborough for more than a decade. There is sufficient space to add a roughly 5,000-6,000 SF skate spot at the park. Most skate parks are built by design/build firms, meaning the same team designs the park as installs it.

Project Justification

There are very few recreational opportunities for teens and adolescents in Hillsborough, and the Parks & Recreation Board believes a skate park will provide needed safe space for this age group. Parks and Recreation Board (PRB) minutes show discussions about interest in a skatepark dating back to the early 1990s. The topic arises every few years but has failed to gain traction for funding. In 2014, a skate park interest form with 109 names and contact information was submitted to the PRB by members of the community. In 2017, the PRB ranked potential sites based on 36 recommended criteria and determined that the privately-owned Exchange Park was the preferred site for skate park. For several years, the PRB studied the site and learned that there are numerous constraints to development of that parcel. The second highest ranked site is Cates Creek Park, which is owned by the town and has sufficient space to add a small skate park. Cates Creek Park is located in a developing part of town and is accessible with bathrooms and parking already provided. The PRB will continue to look for sites in central and northern Hillsborough for additional teen resources and additional skate spots. In FY23, the town contracted 5th Pocket Skateparks, a design build company, to conduct community workshops and develop plans for the skate spot. In January 2023, the town and 5th Pocket hosted a design workshop to receive input on the park features. Over 50 local skaters and skate enthusiasts participated in the workshop. Designs will be finalized in spring 2023 and 5th Pocket will provide cost estimates under the design contract.

Project Highlights

5th Pocket estimates a 5,000-6,000 SF concrete skate park to cost roughly $275,000. The project also includes $25,000 for contingency and inflation of labor and material costs. Once 5th Pocket details cost estimates for construction, the budget can be updated. The Parks and Recreation Board would like to move forward with implementation in FY25. This budget shows the anticipated total cost of the park born by the town but may be amended if shared funding opportunities become available.

Project Expenditures

10-10-6300 - Skate Park Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$20,000	$300,000	$0	$0	$0	$0	$0
Operating	$0	$0	$5,300	$5,300	$5,300	$5,300	$5,300
TOTAL	$20,000	$300,000	$5,300	$5,300	$5,300	$5,300	$5,300

Object Type	2029-30	Total
Capital	$0	$320,000
Operating	$5,300	$31,800
TOTAL	**$5,300**	**$351,800**

Project Revenues

10-10-6300 - Skate Park Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Interfund Transfers	$20,000	$300,000	$0	$0	$0	$0	$0
Other	$0	$0	$5,300	$5,300	$5,300	$5,300	$5,300
TOTAL	**$20,000**	**$300,000**	**$5,300**	**$5,300**	**$5,300**	**$5,300**	**$5,300**

Object Type	2029-30	Total
Interfund Transfers	$0	$320,000
Other	$5,300	$31,800
TOTAL	**$5,300**	**$351,800**

NC86 Facility Renovation

Capital Improvement Project (FY24-FY30)

Project Description

Renovation of the current NC Hwy 86 N facility is proposed to integrate office and storage space for Public Works with property improvements to allow for material and vehicle storage. Fleet and Safety Divisions remain on site as well. Efficiency improvements and upgrades to the facility may be made during the renovation. 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. $127k remains in the project fund that could be used for design. In FY22, a portion of those funds were used to update the feasibility study numbers from FY17 in preparation for detailed design in FY23/24. The town is currently contracting with MHAworks to develop construction documents and a bid package. The design work was halted in 2022 but will begin in early 2023. Updated costs estimates will be provided once construction documents are complete. The project is expected to move forward from design to construction in FY24. Early estimates show the project at $4M construction costs with $400K in design fees. We've added $100K to the budget for furniture/fixtures/equipment. These numbers will be updated once design is complete.

Project Justification

The current Public Works building is located next to the Eno River flood plain and is prone to flooding as occurred during Hurricane Fran in 1996. 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. Expansion of Fleet bays will be studied during the design phase to determine the feasibility of providing bays for servicing larger trucks. If the renovation doesn't occur, Public Works operations would continue, but the lack of office space inhibits future personnel expansion and the possibility of flooding increases risk and liability. The annual building lease, while not significant, does not "buy" the town anything meaningful and becomes a drain on resources. Without the expansion of the NC Hwy 86 facility, equipment will deteriorate from exposure. Significant new equipment was purchased in FY22, so protecting these resources is a high priority. If Fleet bays are not expanded to accommodate larger trucks, as an alternative, these trucks could also be sent out for service and repairs.

Project Highlights

Energy efficiency measures and upgrades will 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. If the renovation doesn't occur, Public Works operations would continue, but the lack of office space inhibits future personnel expansion and the possibility of flooding increases risk and liability. The annual building lease, while not significant, does not "buy" the town anything meaningful and becomes a drain on resources. Without the expansion of the NC Hwy 86 facility, equipment will deteriorate from exposure. Significant new equipment was purchased in FY22, so protecting these resources is a high priority. If Fleet bays are not expanded to accommodate larger trucks, as an alternative, these trucks could also be sent out for service and repairs.

Project Expenditures

10-30-5600 - NC86 Facility Renovation Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$100,000	$4,500,000	$0	$0	$0	$0	$0
Operating	$0	$22,000	$7,000	$0	$0	$0	$0
TOTAL	**$100,000**	**$4,522,000**	**$7,000**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$4,600,000
Operating	$0	$29,000
TOTAL	**$0**	**$4,629,000**

Project Revenues

10-30-5600 - NC86 Facility Renovation Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$4,500,000	$0	$0	$0	$0	$0
Interfund Transfers	$100,000	$0	$0	$0	$0	$0	$0
Other	$0	$22,000	$7,000	$0	$0	$0	$0
TOTAL	**$100,000**	**$4,522,000**	**$7,000**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$4,500,000
Interfund Transfers	$0	$100,000
Other	$0	$29,000
TOTAL	**$0**	**$4,629,000**

South Churton Street Improvements Cost Share

Capital Improvement Project (FY24-FY30)

Project Description

The town has long requested improvements in the South Churton Street corridor from the Eno River south to the interchange with Interstate 40. This project has been funded in the NCDOT Transportation Improvement Plan. Right of way acquisition is scheduled to begin in FY26 with active construction in FY29, but this is subject to adjustment as the schedules of other state projects becomes clearer. The project is listed as a widening but will also allow for the construction of bicycle and pedestrian improvements in the entire corridor. For FY23 and FY24, the town is funding a significant 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 the FY23 budget to pair with $150,000 of block grant funding to complete the feasibility study in FY23 and FY24. 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. 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. The capital portion of this project will not come until construction begins in FY29 or later.

Project Justification

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.

Project Highlights

Project Expenditures

10-30-5600 - South Churton Street Improvements Cost Share...

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Operating	$210,000	$0	$0	$0	$0	$0	$0
Capital	$0	$0	$0	$0	$0	$0	$100,000
TOTAL	**$210,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$100,000**

Object Type	2029-30	Total
Operating	$0	$210,000

Object Type	2029-30	Total
Capital	$0	$100,000
TOTAL	**$0**	**$310,000**

Project Revenues

10-30-5600 - South Churton Street Improvements Cost Share...

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Restricted Revenue	$160,000	$0	$0	$0	$0	$0	$0
Interfund Transfers	$0	$0	$0	$0	$0	$0	$100,000
Other	$50,000	$0	$0	$0	$0	$0	$0
TOTAL	**$210,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$100,000**

Object Type	2029-30	Total
Restricted Revenue	$0	$160,000
Interfund Transfers	$0	$100,000
Other	$0	$50,000
TOTAL	**$0**	**$310,000**

Waterstone Drive Resurfacing

Capital Improvement Project (FY24-FY30)

Project Description

Waterstone Dr. is deteriorating and needs to be milled down and resurfaced. In FY23 we were able to get some of the bad areas patched and now the road needs to be resurfaced with the final layer of asphalt. This will prevent water from getting through the patches and cracks which will cause more road failures such as cracking, potholes, and subgrade failures.

Project Justification

Although Waterstone Dr. received a good/fair rating on our 2021 Pavement Condition Survey that is just simply not the case due to the extreme amount of cracking that is happening almost the entire length of the road. This road is highly traveled, and it is also the largest that we maintain coming in at almost 1 mile per lane and there are 4 lanes minus turn lanes. Waterstone Dr. is the only road in town that we apply salt to not only the entire length of the road but several times if needed during winter weather. This is due to the hospital being there and we try to get the lanes as safe as possible for emergency services. The salt application definitely does not help us preserve this road but is necessary.

Project Highlights

Resurfacing all of Waterstone Dr. in FY24 will allos the Streets Division to seal up the cracks and existing patches that were just completed to prevent further failure. If the entire length cannot be resurfaced at one time due to funding, the project could be completed in halves FY24-FY25.

Project Expenditures

10-30-5600 - Waterstone Drive Resurfacing Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$950,000	$0	$0	$0	$0	$0
TOTAL	**$0**	**$950,000**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$950,000
TOTAL	**$0**	**$950,000**

Project Revenues

10-30-5600 - Waterstone Drive Resurfacing Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Interfund Transfers	$0	$950,000	$0	$0	$0	$0	$0
TOTAL	**$0**	**$950,000**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total

Object Type	2029-30	Total
Interfund Transfers	$0	$950,000
TOTAL	**$0**	**$950,000**

Bucket Truck Replacement

Capital Improvement Project (FY24-FY30)

Project Description

Replace 1999 Ford F-350 Versalift bucket truck.

Project Justification

The truck is now 23 years old and inadequate for tree trimming. This truck only has a 30ft reach and that does not allow us to safely trim high limbs without the risk of limbs dropping on the truck. We also use the truck for hanging banners, flags, the wreaths, and we use it to install the Christmas tree. Although the truck has low miles it has had several repairs made within the past 2 years as well.

Project Highlights

Would like to replace the truck in FY24 with a new truck that has a 45ft boom and a better bucket to work out of. If replacement is delayed the cost to maintain the 1999 truck will increase and the price of a new truck will also increase each year. Delaying also inhibits us from trimming some of our problem areas due to the 30ft reach of the old truck.

Project Expenditures

10-10-5600 - Bucket Truck Replacement Expenses

	2022 - 23 Budget	2023 - 24 Budget	2024 - 25 Budget	2025 - 26 Budget	2026 - 27 Budget	2027 - 28 Budget	2028 - 29 Budget
CAPITAL - VEHICLES	$0	$150,000	$0	$0	$0	$0	$0
MISC-TAX, TAGS, ETC.	$0	$4,506	$0	$0	$0	$0	$0
TOTAL	**$0**	**$154,506**	**$0**	**$0**	**$0**	**$0**	**$0**

	2029 - 30 Budget
CAPITAL - VEHICLES	$0
MISC-TAX, TAGS, ETC.	$0
TOTAL	**$0**

Project Revenues

10-30-5600 - Bucket Truck Replacement Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Interfund Transfers	$0	$150,000	$0	$0	$0	$0	$0
Other	$0	$4,506	$0	$0	$0	$0	$0
TOTAL	**$0**	**$154,506**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Interfund Transfers	$0	$150,000
Other	$0	$4,506
TOTAL	**$0**	**$154,506**

Garbage Truck

Capital Improvement Project (FY24-FY30)

Project Description

Need to replace a 2015 Mack Automated garbage truck. The truck is already 7 years old and will be used as a backup once we receive our new additional automated truck which should arrive by the summer of 2023. Would like to replace it in FY26 (the truck will be nearly 10 years old at that time) so that we can 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 Justification

Replacing the garbage truck in FY26 will keep services reliable and consistent in the future.

Project Highlights

The project is proposed for funding by cash payment or use of existing budget capacity.

Project Expenditures

10-30-5800 - Garbage Truck Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$0	$360,000	$0	$0	$0
Operating	$0	$0	$0	$0	$2,006	$0	$0
TOTAL	**$0**	**$0**	**$0**	**$360,000**	**$2,006**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$360,000
Operating	$0	$2,006
TOTAL	**$0**	**$362,006**

Project Revenues

10-30-5800 - Garbage Truck Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Interfund Transfers	$0	$0	$0	$360,000	$0	$0	$0
Other	$0	$0	$0	$0	$2,006	$0	$0
TOTAL	**$0**	**$0**	**$0**	**$360,000**	**$2,006**	**$0**	**$0**

Object Type	2029-30	Total
Interfund Transfers	$0	$360,000
Other	$0	$2,006
TOTAL	**$0**	**$362,006**

Small Rear Loader

Capital Improvement Project (FY24-FY30)

Project Description

Replace the existing rear loader with a smaller version.

Project Justification

Public Works currently drives pick-ups to collect downtown and park trash, but with a smaller truck, they would drive it instead. The large rear loader is long and hard to drive places, and is just as difficult as the automated trucks, so often drive those instead. There are times and places where a more nimble option that's not a pick-up or the large trucks (i.e. special event pickup, handicap routes, etc.) would be preferable. The smaller truck would also continue to act as overflow for the bulk item dumpster, especially for mattresses which fill up the dumpsters too quickly.

The existing truck is still in good condition and only has about 25k miles. The proceeds from selling it, along with the old garbage truck, leaf truck and knuckleboom trucks that are being surplused in FY23, should be enough to cover a smaller truck ($130k).

Project Highlights

Replacing the larger rear loader with a smaller version will facilitate easier pickup at special events and handicap routes.

Project Expenditures

10-30-5800 - Small Rear Loader Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$130,000	$0	$0	$0	$0	$0
Operating	$0	$3,906	$0	$0	$0	$0	$0
TOTAL	**$0**	**$133,906**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$130,000
Operating	$0	$3,906
TOTAL	**$0**	**$133,906**

Project Revenues

10-30-5800 - Small Rear Loader Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$0	$133,906	$0	$0	$0	$0	$0
TOTAL	**$0**	**$133,906**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total

Object Type	2029-30	Total
Other	$0	$133,906
TOTAL	**$0**	**$133,906**

Passenger Rail / Multi-Modal Station

Capital Improvement Project (FY24-FY30)

Project Description

Construct a train station building and parking to facilitate passenger rail service in Hillsborough. A portion of the building will also include permanent town offices (approximately 18% of the overall building). This portion of the structure will be funded by the town and is non-reimbursable. Site improvements will include an access road from Orange Grove Street and two parking lots with a combined 100 parking spaces, some of which could be used as a local transit park-and-ride facility, and stormwater treatment and 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. Costs for the future station portion of the building and site improvements will be run through the town's budget and will be reimbursed by NCDOT and the regional transit tax through interlocal agreements. The town will accept long-term maintenance and ownership responsibility for the building. Feasibility of pedestrian connectivity to the station from downtown Hillsborough is included in the design of this project, but the construction of those improvements will be funded outside of this budget. Early estimates for the town offices portion of the building are $1,000,000. A public pump station is necessary at an additional cost of $500k but those funds are shown in a separate budget. Sustainability initiatives such as solar panels, green roofs, EV charging infrastructure, and geothermal systems may add up to $600k to the budget. Existing sustainability funds can be use to cover these expenses and grants may be explored.

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

Project Justification

The conceptual station plan was completed in FY15. A change in state regulations removed the need for extensive environmental review of this project. The town's initial contribution to this project was utilized in FY23 during design. The town, NCDOT and Go Triangle have approved an interlocal agreement for the project. This agreement commits the state and 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 Highlights

The station design will include 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 infrastructure, both physical and social.

Project Expenditures

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

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$1,079,000	$6,160,000	$1,820,000	$220,000	$0	$0	$0
Operating	$0	$0	$0	$0	$35,000	$35,000	$35,000
TOTAL	**$1,079,000**	**$6,160,000**	**$1,820,000**	**$220,000**	**$35,000**	**$35,000**	**$35,000**

Object Type	2029-30	Total
Capital	$0	$9,279,000
Operating	$35,000	$140,000
TOTAL	**$35,000**	**$9,419,000**

Project Revenues

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

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Intergovernmental	$986,000	$5,600,000	$650,000	$0	$0	$0	$0
Debt Issuance Proceeds	$0	$560,000	$1,170,000	$220,000	$0	$0	$0
Other	$0	$0	$0	$0	$35,000	$35,000	$35,000
Interfund Transfers	$93,000	$0	$0	$0	$0	$0	$0
TOTAL	**$1,079,000**	**$6,160,000**	**$1,820,000**	**$220,000**	**$35,000**	**$35,000**	**$35,000**

Object Type	2029-30	Total
Intergovernmental	$0	$7,236,000
Debt Issuance Proceeds	$0	$1,950,000
Other	$35,000	$140,000
Interfund Transfers	$0	$93,000
TOTAL	**$35,000**	**$9,419,000**

Adron F. Thompson Facility Renovation & Expansion

Capital Improvement Project (FY24-FY30)

Project Description

The renovation and expansion of the Adron F. Thompson building, located at 715 Dimmocks Mill Road, will include a new welding shop, stock room for inventory and a building addition that will include additional office space, storage and restrooms. Improvements to the stock yard are included as well as bringing natural gas power to the building. We would like to take care of what we have and provide a clean and safe working environment for employees.

Project Justification

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 lunch room and meeting area. Staff has continued to expand and the building no longer meets the needs of the existing staff and the building has many issues as presented in a conceptual report completed by RND associates (attached). A concept study has been completed that 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. The study 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. The building is not ADA compliant. The roof leaked and had to be replaced in FY19. The windows are inefficient. Some of the work space has no HVAC system so staff must place floor heaters and fans in their office space. Sixteen employees currently occupy three offices and two small bathrooms. Portions of the yard are within the floodplain. Additional safety and building codes will be addressed in this project including electrical, HVAC, sanitary, fire, and security. The conceptual plan is ready to be more formalized through a two-phase design contract.

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 part 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.

Project Highlights

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. The projected cost of construction is increased from $2.5M to $3.0M due to potentially adding additional space for the administration group and current material cost inflation.

Project Expenditures

30-80-8140 - Adron F. Thompson Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$290,000	$3,000,000	$0	$0	$0	$0	$0
TOTAL	**$290,000**	**$3,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$3,290,000
TOTAL	**$0**	**$3,290,000**

Project Revenues

30-80-8140 - Adron F. Thompson Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$3,000,000	$0	$0	$0	$0	$0
Interfund Transfers	$290,000	$0	$0	$0	$0	$0	$0
TOTAL	**$290,000**	**$3,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$3,000,000
Interfund Transfers	$0	$290,000
TOTAL	**$0**	**$3,290,000**

Galvanized Water Main Replacement

Capital Improvement Project (FY24-FY30)

Project Description

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

Project Justification

A revised lead and copper rule was just 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 we should not wait to get started planning. There is approximately 1.45 miles of identified galvanized mains in our GIS. This could be reduced with physical verification.

Project Highlights

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

Project Expenditures

30-80-8140 - Galvanized Water Main Replacement Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$60,000	$0	$200,000	$200,000	$0	$0	$0
TOTAL	**$60,000**	**$0**	**$200,000**	**$200,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$460,000
TOTAL	**$0**	**$460,000**

Project Revenues

30-80-8140 Galvanized Water Main Replacement Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$60,000	$0	$200,000	$200,000	$0	$0	$0
TOTAL	**$60,000**	**$0**	**$200,000**	**$200,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Other	$0	$460,000
TOTAL	**$0**	**$460,000**

Hassell Water Tank Replacement

Capital Improvement Project (FY24-FY30)

Project Description

Replace Hasell Street Water Tank with a new elevated water tank. The new tank size will be much larger than the 200,000 gallon existing size, 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 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 controlled by topographical elevation.

Project Justification

The existing Hasell 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 size and age of the Hasell Street Water Tank creates a need for a replacement tank. Development within the Central Pressure Zone (CPZ) has created additional water volume needs, and an elevated tank will enable the entire tank volume to be usable. The existing tank is a standpipe, which allows us to effectively use only about 40 percent of the tank volume since we cannot allow the tank to drop more than about 30 feet of its 72 feet height.

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. The tank structure is sound, and inspections are performed annually so project is slated for later in the CIP. Costs are based on Waterstone tank, inflation, and the current construction climate in addition to other bid tabs for similar tanks in other locations. This request has been on the CIP list since FY16 or possibly even earlier. Staff applied to the state for a preconstruction study grant to finalize the location and size need of the tank but will not hear about any award until at least Feb. 2023. This project is semi-related but not codependent to the US70 Business Water Main Improvements (upsizing) project as water from Hasell tank must get to the US70A tank.

Project Highlights

The proposed tank will be the same height, but the design will allow us to utilize the entire tank volume. This will also help with water quality turnover and may improve operations at the plant where staff is continually filling tanks.

This project is to take care of what we have and to provide reliable service to customers.

Project Expenditures

30-80-8140 - Hasell Water Tank Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$40,000	$150,000	$300,000	$3,255,000	$0	$0
TOTAL	**$0**	**$40,000**	**$150,000**	**$300,000**	**$3,255,000**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$3,745,000
TOTAL	**$0**	**$3,745,000**

Project Revenues

30-80-8140 - Hasell Water Tank Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$0	$40,000	$150,000	$300,000	$3,255,000	$0	$0
TOTAL	**$0**	**$40,000**	**$150,000**	**$300,000**	**$3,255,000**	**$0**	**$0**

Object Type	2029-30	Total
Other	$0	$3,745,000
TOTAL	**$0**	**$3,745,000**

Hydrant & Valve Project

Capital Improvement Project (FY24-FY30)

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

We currently have 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. The priority projects are outlined in the attached report as Groups 1 through 4.

If we do not perform this work, we risk having these hydrants not work properly in the event of a fire, which could be catastrophic. Impacts to customers to repair or replace a hydrant would be recognized. Additionally, we have 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

Current bids for hydrant replacements with watch valve range from $3,000 - $5,500. The requested funds will cover many of the needed replacements through contract work, with staff likely able to perform the remaining replacements with its own resources. Bid prices will determine the number of hydrants that can be replaced.

Project Expenditures

30-80-8140 - Hydrant & Valve Project Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$200,000	$200,000	$270,000	$275,000	$0	$0	$0
TOTAL	**$200,000**	**$200,000**	**$270,000**	**$275,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$945,000
TOTAL	**$0**	**$945,000**

Project Revenues

30-80-8140 - Hydrant & Valve Project Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$200,000	$200,000	$270,000	$275,000	$0	$0	$0
TOTAL	**$200,000**	**$200,000**	**$270,000**	**$275,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Other	$0	$945,000
TOTAL	**$0**	**$945,000**

OWASA Booster Pumping Station

Capital Improvement Project (FY24-FY30)

Project Description

This project is to build a booster pump station to receive water from OWASA in times of need to provide system redundancy to the entire town.

Project Justification

A 16" water line between Orange Water and Sewer Authority (OWASA) was installed by OWASA in the late 1970s and has served as the water system interconnection between OWASA and Hillsborough for several years. The section from Exchange Park Lane south to Davis Road was transferred to Hillsborough in 2013. When the town created its south pressure zone shortly thereafter, it rendered the existing booster station obsolete as that station was for our central pressure zone. If we delay installing the booster pump station, we continue risking system redundancy in this ever changing climate. The OWASA booster pumping station will allow the town to receive emergency water supply from OWASA per our mutual aid agreement.

Project Highlights

This project will ensure an alternative source of clean and safe water for our community. Currently we can send to OWASA by gravity but cannot receive without some temporary valving manipulation. Now that Collins Ridge is connected to this main, they would be cut off if we received water the current way by valving so it enters our central pressure zone. The town has applied for FEMA grant funding which would provide a 70% match. As part of the funding application submittal, a more detailed engineering cost was prepared as attached. This project is a priority as it has been needed for quite some time.

Project Expenditures

30-80-8140 - OWASA Booster Pump Station Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$90,000	$1,575,600	$0	$0	$0	$0	$0
TOTAL	**$90,000**	**$1,575,600**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$1,665,600
TOTAL	**$0**	**$1,665,600**

Project Revenues

30-80-8140 - OWASA Booster Pump Station Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$0	$1,010,000	$0	$0	$0	$0	$0
Debt Issuance Proceeds	$0	$565,600	$0	$0	$0	$0	$0
Interfund Transfers	$90,000	$0	$0	$0	$0	$0	$0
TOTAL	**$90,000**	**$1,575,600**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Other	$0	$1,010,000
Debt Issuance Proceeds	$0	$565,600
Interfund Transfers	$0	$90,000
TOTAL	**$0**	**$1,665,600**

US-70 Business Water Improvements

Capital Improvement Project (FY24-FY30)

Project Description

This is a multi-year, two phase project to: 1) 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 and 2) 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.

Project Justification

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 to help pressure and that the 12" should definitely be upsized to 16" between Churton and the US 70-A tank and 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. We have 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 and this is problematic. When we have to make repairs, we typically have to cut the pipe with a saw, which releases asbestos fibers, thus requiring a respirator. If we do not perform this work, we risk this line deteriorating further and draining the US 70 Tank. We can currently receive 1.6 MGD from Durham. The costs have been increased from the FY23 capital project due to material cost escalation.

Project Highlights

There may be opportunity to cost share if a new connector between S. Churton and Hwy 86 is planned but the timing is unlikely to be in our benefit. This project has been on the CIP list since FY16 or even earlier. It 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.

Project Expenditures

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

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$30,000	$275,000	$50,000	$1,620,000	$1,350,000	$0	$0
TOTAL	**$30,000**	**$275,000**	**$50,000**	**$1,620,000**	**$1,350,000**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$3,325,000
TOTAL	**$0**	**$3,325,000**

Project Revenues

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

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$1,099,701	$1,350,000	$0	$0
Interfund Transfers	$0	$275,000	$50,000	$520,299	$0	$0	$0
Other	$30,000	$0	$0	$0	$0	$0	$0
TOTAL	**$30,000**	**$275,000**	**$50,000**	**$1,620,000**	**$1,350,000**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$2,449,701
Interfund Transfers	$0	$845,299
Other	$0	$30,000
TOTAL	**$0**	**$3,325,000**

Water & Sewer Air Release Valve Replacements

Capital Improvement Project (FY24-FY30)

Project Description

Replace old, obsolete water and sewer air release valves (ARVs). Install new air release valves where needed to enhance system performance. An automatic air release valve provides a critical role in pressurized piping systems such as our water system and sewer force mains. Air trapped in a pipeline will naturally rise and collect at high points within the system. This trapped air can cause pump failures, faulty instrumentation readings, corrosion, flow issues, and water hammer and surge issues. Unnecessary air in the pipeline also makes the pumps work harder, resulting in additional energy consumption. The valves can also be called air/vacuum combination valves, and these are used on sewer force mains due to the start stop nature of sewer pumping stations. When the vacuum part is present, these valves also allow outside air to re-enter the sewer force main when pumping stops to prevent negative pressures forming on buried infrastructure (i.e. pipe collapse). Sewer ARVs require routine maintenance to ensure their internal mechanisms do not become clogged with grease, sewage, or other obstructions. Sewer ARVs also require routine inspections to ensure internal components did not fail due to internal corrosion. The water system is continuously pressurized and thus only air release valves are necessary. Water ARVs can wear out over time and seize. They may be of substandard material and beyond useful life (30-40 years).

Project Justification

The town currently owns and operates 14 sanitary sewer force main air release valves. The Town does not currently have records of routine maintenance or inspection of these assets, and recent field assessments indicate the sewer ARVs are likely not functioning as designed. The proposed project will replace the existing sewer ARVs with new, corrosion-resistant ARVs to ensure the sewer force mains operate as intended. Current bids for sewer ARV replacement range from $5,000-$10,000/valve, with a number of factors including size, location, and condition of the host pipe impacting overall cost. The requested funds will cover many of the needed replacements through contract work, with staff likely able to perform the remaining replacements with its own resources. Town staff can provide a more detailed estimate of replacement costs and quantities when bids are received.

The Town also owns and operates approximately 50 water main ARVs. There are many other end of line "blow offs" that are manually operated to flush water. The Town does not currently have maintenance or inspection records of these valves. Limited field work to date indicates the water ARVs are not likely venting fully, and maintenance of the valves is unlikely to resolve the issue. Town staff recommends full inventory and replacement of the water ARVs, current bids for water ARV replacement range from $1,000-$3,000/valve depending on size, location, etc. Town staff can provide a more detail estimate of replacement costs and quantities when bids are received.

This work ties to the longstanding goal of "taking care of what we have."

Project Highlights

FY24 budget is the first submission of this project. If the Town does not proceed with this project, the existing sewer and water ARVs will likely fail. It is suspected they are not providing the best

optimization for the system either. Replacing a failed sewer ARV is very difficult and results in sanitary sewer overflows. These spills can be significant given the pressurized nature of the failure. These replacements typically require the sanitary sewer pumping station connected to the sewer ARV to be taken offline while the replacement is completed. A water ARV failure can result in non-revenue water and distribution issues. Town staff recommends replacing the ARVs to avoid this scenario. During this work an full inventory will be verified with additional data collected. For FY24, sewer ARVs will be targeted. For FY25 and FY26, water ARVs will be targeted. The high end of the estimated cost is budgeted.

Project Expenditures

30-80-8140 Water & Sewer Air Release Valves Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$150,000	$75,000	$75,000	$0	$0	$0
TOTAL	**$0**	**$150,000**	**$75,000**	**$75,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$300,000
TOTAL	**$0**	**$300,000**

Project Revenues

30-80-8140 - Water & Sewer Air Release Valves Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$0	$150,000	$75,000	$75,000	$0	$0	$0
TOTAL	**$0**	**$150,000**	**$75,000**	**$75,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Other	$0	$300,000
TOTAL	**$0**	**$300,000**

Water Distribution System Master Plan Improvements

Capital Improvement Project (FY24-FY30)

Project Description

Implement the CIP recommendations of the anticipated Water Distribution Master Plan which should be completed in fall 2023.

Project Justification

The Town is currently 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 CIP program will implement those recommendations when available.

Project Highlights

Town staff will recommends following the recommendations of the Water Distribution Master Plan once recommendations are complete.

Project Expenditures

30-80-8140 - Water Distribution Master Plan Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$200,000	$400,000	$400,000	$400,000	$400,000
TOTAL	**$0**	**$0**	**$200,000**	**$400,000**	**$400,000**	**$400,000**	**$400,000**

Object Type	2029-30	Total
Capital	$500,000	$2,300,000
TOTAL	**$500,000**	**$2,300,000**

Project Revenues

30-80-8140 - Water Distribution Master Plan Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$0	$0	$200,000	$400,000	$400,000	$400,000	$400,000
TOTAL	**$0**	**$0**	**$200,000**	**$400,000**	**$400,000**	**$400,000**	**$400,000**

Object Type	2029-30	Total
Other	$500,000	$2,300,000
TOTAL	**$500,000**	**$2,300,000**

Bellevue Mill Interceptor Upgrade

Capital Improvement Project (FY24-FY30)

Project Description

Replace 2,700 linear feet of 8" sewers with 12" sewers and 15 manholes. The Bellevue Mill interceptor extends from near the end of Forrest St southward to Eno St.

Project Justification

This interceptor was in existance as early as the 1920s per mill maps. Unfortunately, the portions of the sewer traverse through an identified brownfield so extra costs will be incurred to identify and properly dispose of contaminated soils, and some extra permitting. Hydraulic modeling has shown this interceptor is undersized for 2040 growth scenarios. 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 really 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 some reconfiguring that can be done, the existing 8" could be abandoned with little work.

Project Highlights

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 the interceptor further for a reduction in scope of replacement as there is a parallel sewer that may be utilized.

Project Expenditures

30-80-8200 - Bellevue Mill Interceptor Upgrade Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$0	$0	$0	$140,000	$40,000
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$140,000**	**$40,000**

Object Type	2029-30	Total
Capital	$1,320,000	$1,500,000
TOTAL	**$1,320,000**	**$1,500,000**

Project Revenues

30-80-8200 - Bellevue Mill Interceptor Upgrade Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Interfund Transfers	$0	$0	$0	$0	$0	$140,000	$40,000
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$140,000**	**$40,000**

Object Type	2029-30	Total

Object Type	2029-30	Total
Interfund Transfers	$1,320,000	$1,500,000
TOTAL	**$1,320,000**	**$1,500,000**

Cates Creek Outfall Upgrade

Capital Improvement Project (FY24-FY30)

Project Description

The Cates Creek Outfall was built in two phases. It is 3.4 miles long. 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. Then entire line is the main pipeline in the Elizabeth Brady sewer basin. The scope and extent of the upsizing is currently unknown but a proposed development, if it proceeds, would exceed the pipe capacity in some areas.

Project Justification

Already the collection system modeling without a recent proposed development shows in the next ten years that the outfall needs 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. With the recent inquiry about a significant development south of Waterstone Drive and the increased demand proposals of sites we did account for but underestimated the desired plan, this schedule may be escalated and the developers will be expected to cost share in necessary upgrades.

Project Highlights

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. The FY24 budget is the first entry of this project with expected funds needed in FY27 and FY28.

Project Expenditures

30-80-8200 - Cates Creek Outfall Upgrade Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$0	$0	$1,000,000	$5,400,000	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$1,000,000**	**$5,400,000**	**$0**

Object Type	2029-30	Total
Capital	$0	$6,400,000
TOTAL	**$0**	**$6,400,000**

Project Revenues

30-80-8200 - Cates Creek Outfall Upgrade Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$0	$0	$5,400,000	$0
Interfund Transfers	$0	$0	$0	$0	$1,000,000	$0	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$1,000,000**	**$5,400,000**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$5,400,000
Interfund Transfers	$0	$1,000,000
TOTAL	**$0**	**$6,400,000**

Elizabeth Brady Pump Station & Force Main Upgrade

Capital Improvement Project (FY24-FY30)

Project Description

Design, bid and construct a public sanitary sewer pumping station upgrade at the existing Elizabeth Brady Pumping Station site. 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 being implemented now. However, the level of development discharging to this station is much greater than this quick upgrade option which will only hold steady for a few years, if that.

Project Justification

A developer is proposing consolidation of two to three existing sanitary sewer pumping stations (Woods Edge Front, Woods Edge Back, and Nazarene) in to a new, larger pumping station. The larger pumping station would be sized for the future buildouts of the basin serving the existing stations to be abandoned as well as 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 will 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 station to Town standards with no cost participation by the Town. The upgrade to the Elizabeth Brady station will require an upgrade to the existing force main to the wastewater treatment plant to ensure efficient pumping station operations.

Project Highlights

This project invests in the future of the town's development goals. 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. Town staff recommends approval of the proposed project given the anticipated cost participation by the developer. This project also relates to the Cates Creek interceptor. This request would have been added to the CIP later except for increased developer inquiries.

Project Expenditures

30-80-8200 - Elizabeth Brady Pump Station Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$300,000	$4,150,000	$0	$0	$0	$0
TOTAL	**$0**	**$300,000**	**$4,150,000**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$4,450,000
TOTAL	**$0**	**$4,450,000**

Project Revenues

30-80-8200 - Elizabeth Brady Pump Station Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$4,150,000	$0	$0	$0	$0
Interfund Transfers	$0	$300,000	$0	$0	$0	$0	$0
TOTAL	**$0**	**$300,000**	**$4,150,000**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$4,150,000
Interfund Transfers	$0	$300,000
TOTAL	**$0**	**$4,450,000**

Eno River Interceptors

Capital Improvement Project (FY24-FY30)

Project Description

Replace outdated and insufficient infrastructure to meet committed and projected growth. The Eno River Interceptor project extends from the current River Pumping Station location to Churton St. Existing sizes are 18" and 21" which will be replaced with at least 30" and 36" pipes along with several manholes as recommended by the Collection System Modeling Phase 2 report. The project is about 1 mile in length.

Project Justification

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 which leaves 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 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 a stoppage of 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 focused upon for growth, the Board has already agreed to defer large projects contributing wastewater into our River pumping station basin due to wet weather concerns as we investigate our worst 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 pope condition needs to be evaluated before implementing the most reasonable solution. These pipes were some of the first to ever be installed in town. This project intertwines with the River Pump Station Project as well.

Project Highlights

Staff is currently working on the physical evaluation of the piping, manholes, and pump stations within the collections system with the resources available. This cannot be a comprehensive effort, unfortunately. We also have the collection system model that 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 we have worked hard to attract and allow. The money budgeted here 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 pipes need to be upsized to handle the projected 2025 growth. This cannot be deferred much longer. This project is related in theory to the River Pumping Station replacement project if we receive state funding. These two projects were bundled together. The project was added in FY23 and $750,000 of system development fees were allocated to it for that fiscal year.

Project Expenditures

30-80-8200 - Eno River Interceptors Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$750,000	$0	$5,050,000	$0	$0	$0	$0
TOTAL	**$750,000**	**$0**	**$5,050,000**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$5,800,000
TOTAL	**$0**	**$5,800,000**

Project Revenues

30-80-8200 - Eno River Interceptors Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$5,050,000	$0	$0	$0	$0
Interfund Transfers	$750,000	$0	$0	$0	$0	$0	$0
TOTAL	**$750,000**	**$0**	**$5,050,000**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$5,050,000
Interfund Transfers	$0	$750,000
TOTAL	**$0**	**$5,800,000**

Eno River West Interceptor

Capital Improvement Project (FY24-FY30)

Project Description

Replace approximately 2,900 linear feet of 18" sewers with 24" sewers along with 12 manholes. This sewer interceptor is also one of the oldest in town, built in the 1970s.

Project Justification

The modeling report recommendations 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. With the high-density redevelopment and new development expected in the downtown and west Hillsborough area west of Churton St. it is recommended to upsize this interceptor.

Project Highlights

The general vicinity of the work is west of Churton Street to Occoneechee St. on the south side of the river.

Project Expenditures

30-80-8200 - Eno River West Interceptors Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$0	$0	$350,000	$1,790,000	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$350,000**	**$1,790,000**	**$0**

Object Type	2029-30	Total
Capital	$0	$2,140,000
TOTAL	**$0**	**$2,140,000**

Project Revenues

30-80-8200 - Eno River West Interceptors Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$0	$0	$1,790,000	$0
Other	$0	$0	$0	$0	$350,000	$0	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$350,000**	**$1,790,000**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$1,790,000
Other	$0	$350,000
TOTAL	**$0**	**$2,140,000**

Exchange Club Interceptors

Capital Improvement Project (FY24-FY30)

Project Description

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). We know that 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 Justification

Upsizing this infrastructure with possible realignments will address current and future growth and improve its condition.

Project Highlights

This gravity sewer is ready for an upgrade. This project would be 2,250 LF of gravity sewer replacement to 15-inch (2040 Committed) or 18-inch diameter (2040 Committed + Potential Flows). The estimated cost is $1.4 million.

Project Expenditures

30-80-8200 - Exchange Club Interceptors Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$190,000	$20,000	$1,270,000	$0	$0	$0
TOTAL	**$0**	**$190,000**	**$20,000**	**$1,270,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$1,480,000
TOTAL	**$0**	**$1,480,000**

Project Revenues

30-80-8200 - Exchange Club Interceptors Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$1,250,000	$0	$0	$0
Other	$0	$190,000	$20,000	$20,000	$0	$0	$0
TOTAL	**$0**	**$190,000**	**$20,000**	**$1,270,000**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$1,250,000
Other	$0	$230,000
TOTAL	**$0**	**$1,480,000**

River Pump Station Relocation & Upgrade

Capital Improvement Project (FY24-FY30)

Project Description

The River Pump Station was originally built in 1976 and it is the largest pump station in town. It currently delivers over 75% of the wastewater to the wastewater plant. This pump station was scheduled to be replaced during the 2014 Phase 1 wastewater plant upgrade. However, unforeseen regulatory obstacles resulted in this part of the upgrade being eliminated from the project.

FY23/24 – Design of the River Pump Station replacement/expansion and land acquisition

FY24 – FY26 River Pump Station replacement/expansion

Project Justification

The River Pump Station has approached wet weather capacity limitations and its useful life. The station is over 40 years old. Replacement pumps and parts are difficult to find. The station is requiring a lot of maintenance, it is not efficient, and its structure is deteriorating. The station receives wastewater from over 75% of the town and is considered a critical station. In an emergency, bypassing wastewater, should it fail, will be costly and difficult. The station has unsafe exposed wiring and a steel spiral staircase. Both of these items are subject to deterioration due to the corrosive environment of wastewater. This pump station has also reached its flow capacity. Two recent rain events resulted in all three pumps running continuously for over ten hours. While the work of the wastewater treatment and collection system group has reduced this multiple run time situation, this was not the intent of the station. One pump is supposed to be redundant. The station being in the floodway of the sensitive Eno River is also problematic. The station is susceptible to not only flooding, but vandalism. An evaluation was performed by an engineering firm and it is determined to move this station out of the floodplain. The proposed location is further north on the site of the River Park Elementary School (but over 500 feet and downhill from the school's building and play area). Costs were reviewed and analyzed as part of applying for grant funding to move this station from the floodway. The town is on track to receive a grant award from FEMA's Building Resilient Infrastructure and Communities (BRIC) to relocate this station. There is a 30% town match which is reflected in the budget. The total estimated 2022 cost is $8.188M. However, material costs have escalated significantly, and the town may need to supply additional funds depending on the construction climate.

Delaying the River Pump Station improvements any longer will further increase risk of failure of one of our largest and critical sewer pump stations. Should it fail, it would likely overflow into the Eno River causing environmental concern and violations. The town would have to scramble to obtain emergency funds and vendors who can come repair it. Engineering analysis resulted in a recommendation to move this station out of the floodway and bring it to current standards. It appears the town will receive federal funding for a portion of this project. This project already has $3,448,800 of budget allocated for FY23. $33,800 has been spent to evaluate the siting and type of station.

Project Highlights

This project is to take care of what we have and also provide for future growth while protecting a sensitive waterbody and the current asset by relocation.

Project Expenditures

30-80-8200 - River Pump Station Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$3,448,800	$4,740,021	$0	$0	$0	$0	$0
TOTAL	**$3,448,800**	**$4,740,021**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$8,188,821
TOTAL	**$0**	**$8,188,821**

Project Revenues

30-80-8200 - River Pump Station Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Other	$1,935,000	$3,797,175	$0	$0	$0	$0	$0
Interfund Transfers	$1,513,800	$942,846	$0	$0	$0	$0	$0
TOTAL	**$3,448,800**	**$4,740,021**	**$0**	**$0**	**$0**	**$0**	**$0**

Object Type	2029-30	Total
Other	$0	$5,732,175
Interfund Transfers	$0	$2,456,646
TOTAL	**$0**	**$8,188,821**

Train Station Pump Station

Capital Improvement Project (FY24-FY30)

Project Description

Design, bid and construct a public sanitary sewer pumping station on space allocated at the proposed train station site. The new station would be sized to serve the entire parcel buildout, including the sewer flow generated by the Town's proposed train station development as well as outparcels created by a future subdivision of current town property.

Project Justification

The town is currently in the preliminary design phase of a rail station with office and meeting space on Gold Hill Way near Churton Street. The rail station is proposed on land currently owned by the town and will ultimately occupy a small portion of the Town parcel. The remainder of the Town parcel not used for the proposed station will be subdivided and made available for future uses. Town staff recommends developing the Train Station site with a public sanitary sewer pumping station to allow the widest variety of uses at the proposed Train Station site and adjacent, future sites.

Project Highlights

In lieu of constructing a small grinder station that serves only the proposed town project, the town may instead build a publicly owned, operated and permitted lift station capable of serving the future lots created by the above-referenced subdivision. A publicly owned and operated Town pumping station would enable denser development on the newly created lots and would minimize potential project infrastructure unknowns for future developers. The costs of the proposed lift station could be recovered with system development fees, proffers, or other agreements with the future owners of the subdivided lots.

The proposed project would also evaluate discharge alternatives for the proposed sanitary sewer force main from the newly constructed station. This alternative analysis would include an evaluation of the receiving sewer's capacity for the proposed flow as well as the technical merits of the alignments proposed.

Project Expenditures

30-80-8200 - Train Station Pump Station Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$150,000	$0	$575,000	$0	$0
TOTAL	**$0**	**$0**	**$150,000**	**$0**	**$575,000**	**$0**	**$0**

Object Type	2029-30	Total
Capital	$0	$725,000
TOTAL	**$0**	**$725,000**

Project Revenues

30-80-8200 - Train Station Pump Station Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Debt Issuance Proceeds	$0	$0	$0	$0	$575,000	$0	$0
Other	$0	$0	$150,000	$0	$0	$0	$0
TOTAL	**$0**	**$0**	**$150,000**	**$0**	**$575,000**	**$0**	**$0**

Object Type	2029-30	Total
Debt Issuance Proceeds	$0	$575,000
Other	$0	$150,000
TOTAL	**$0**	**$725,000**

Tertiary Filter Flocculators

Capital Improvement Project (FY24-FY30)

Project Description

Install new flocculators ahead of tertiary filtration to maximize the Total Phosphorous removal needed to meet the Falls Lake Rules and also reduce chemical usage.

Project Justification

This project can be delayed until the current Phosphorous removal efficiency is inadequate to meet our permit requirements, which is estimated to be in FY29. However, we will not realize the cost savings of reduced chemical usage or the reduction in our 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.

Project Highlights

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. However, the pedestals and electrical conduit were 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, we should be able to reduce our chemical feed by 28% or more. This equates to chemical savings of approximately $4,500 per year.

Project Expenditures

30-80-8220 - Tertiary Filter Flocculators Expenses

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Capital	$0	$0	$0	$0	$0	$0	$10,000
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$10,000**

Object Type	2029-30	Total
Capital	$180,000	$190,000
TOTAL	**$180,000**	**$190,000**

Project Revenues

30-80-8220 - Tertiary Filter Flocculators Revenues

Object Type	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Interfund Transfers	$0	$0	$0	$0	$0	$0	$10,000
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$10,000**

Object Type	2029-30	Total
Interfund Transfers	$180,000	$190,000
TOTAL	**$180,000**	**$190,000**

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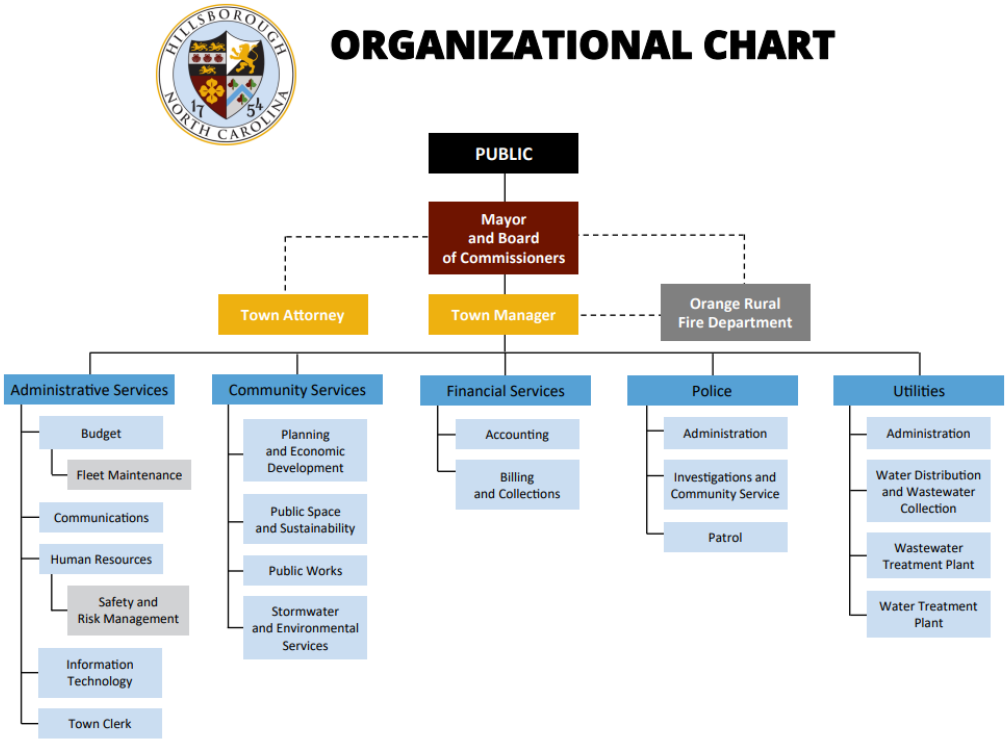
Supplemental Information

Organization Chart

FY2024 Operating & Capital Budget



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Budget Schedule

FY2024 Operating & Capital Budget

Budget Schedule

November
9th Budget Kickoff

December
9th CIP Requests due

January
20th Continuation Budget Adjustments, Budget Justification Forms and Personnel Expansion Forms due
20th Fees and Charges Schedule updates due
28th Retreat – Budget & Planning

February
7-9th Budget review meetings
10th Final revenue estimates due (based on actuals through January)
13th Budget balancing begins

April
3rd Second Retreat – Budget & Planning (if needed)
TBD Budget Balanced!
TBD Budget Preview for Town employees

May
8th FY24 budget presentation for Board
22nd Budget workshop and public hearing
30th Second budget workshop (if needed)

June
12th Consider adoption of FY24 Budget & Financial Plan
26th Consider adoption of FY24 Budget & Financial Plan (if needed)

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Fees & Charges Schedule

FY2024 Operating & Capital Budget

Accounting

	Current Rate		Proposed Change	
Description	**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[1]	$ 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			

[1]Mobile food vendor permits are valid as long as permit holder timely files Food & Beverage tax receipts and reports.

Administration

	Current Rate		Proposed Change	
Description	**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

	Current Rate		Proposed Change	
Description	**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

	Current Rate		Proposed Change	
Description	**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

	Current Rate		Proposed Change	
Description	**Rate**	**Basis**	**Rate**	**Basis**
Special Event Permits				
Public and Private Events on Private Property	$ 20.00			
Public and Private Events on Public Property	$ 35.00			
Street or Greenway Events	$ 55.00			
Applications for Review				
Future Land Use Plan or Comprehensive Plan Amendment	$ 300.00			
Unified Development Ordinance Text Amendment	$ 300.00			
Rezoning to Conditional district	The greater of $2,000 or $200	per acre		
Rezoning to general purpose or overlay 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			
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[2]				
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			
Street Closing Request	$ 150.00			
Street Renaming Request	$ 200.00			
Certificate of Appropriateness	$ 1.00	per $1,000 construction cost; $10 minimum		
Zoning Compliance Letter	$ 40.00			
Appeals			$ 200.00	There are administration and time costs to process, postage for mailings, staff time to process. etc.
Fees in Lieu of Construction				
Sidewalks	125%	of written, sealed, engineer's estimate for the cost of required		
Documents & Maps[1]				
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		
[1] 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.				
Zoning Compliance Permits				
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			
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.				
Other Charges				
Consultant Fee Reimbursement	Consultant Fee Reimbursement			
Projects constructing new local roads will also reimburse the Town for consultant fees to review road construction plans and specifications, if needed.				
No-Permit Penalty	No-Permit Penalty			
Work begun without a necessary Zoning Compliance Permit will be charged a $100 ZCP fee or the standard fee will be doubled, whichever is greater. Work begun without a required Certificate of Appropriateness will be charged a $100 COA review fee for the standard fee will be doubled, whichever is greater. Work requiring both a COA and ZCP shall only pay the increased COA fee.			$ 300.00	Increase COA after the fact fee to $300 due to time and administration to process them through the HDC

Police

	Current Rate		Proposed Change	
Description	**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 Rate	Current Rate Basis	Proposed Change Rate	Proposed Change Basis
Portions of town parks may be reserved for private events. Events expecting 100 or more people are reviewed as special events as defined in the town code. If a special event requires police or public works overtime, costs of those impacts may be passed to the applicant.				
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		
Out-of-town resident	$ 20.00	per hour		

Solid Waste

Description	Current Rate Rate	Current Rate Basis	Proposed Change Rate	Proposed Change 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)[1]	$ 50.00	minimum		
Special Brush/Vegetation Collection				
Standard Collection	$ 70.00			
Large Collection (Require use of Knuckleboom)	$ 130.00			
[1]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 Rate	Current Rate Basis	Proposed Change Rate	Proposed Change Basis
Plan Review				
Single Lot Residential[1]	$ 100.00	per plan		
LID Project[2]	$ 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)[3]	$ 500.00	per plan plus $50/acre of new impervious		
Standard Phased Projects[4]	$ 250.00	per each subsequent phase submittal		
[1] Not part of a larger common plan for development or sale.				
[2] Projects that meet the State of North Carolina's Low Impact Development requirements and calculations.				
[3] 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.				
[4] Phased development projects are required to obtain a stormwater management plan approval for the entire project; as each subsequent phase is submitted, an additonal fee will be required to ensure the phase plans comply with the overall stormwater management plan approval.				
Stormwater Fee				
Residental Property	$ 75.00	per year		
Tier 1, Non-residential Property (0 to 10,000 sq. ft.)	$ 150.00	per year		
Tier 2, Non-residential Property (10,001 to 30,000 sq. ft.)	$ 600.00	per year		
Tier 3, Non-residential Property (30,001 to 100,000 sq. ft.)	$ 1,800.00	per year		
Tier 4, Non-residential Property (100,001 to 200,000 sq. ft.)	$ 4,050.00	per year		
Tier 5, Non-residential Property (200,001 sq. ft. and above)	$ 12,900.00	per year		

Streets

Description	Current Rate Rate	Current Rate Basis	Proposed Change Rate	Proposed Change 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	Current Rate Rate	Current Rate Basis	Proposed Change Rate	Proposed Change Basis
Water Treatment & Distribution Use Fees				
Water System Development or Capital Facilities Fee[1]:				
Residential	$ 3,864.00	per residential unit	TBD	SDF Study to be completed Spring '23
Commercial			TBD	SDF Study to be completed Spring '23
5/8" or 3/4" meter	$ 3,864.00		TBD	SDF Study to be completed Spring '23
1" meter	$ 6,440.00		TBD	SDF Study to be completed Spring '23
1.5" meter	$ 12,880.00		TBD	SDF Study to be completed Spring '23
2" meter	$ 20,608.00		TBD	SDF Study to be completed Spring '23
3" meter	$ 41,216.00		TBD	SDF Study to be completed Spring '23
4" meter	$ 64,400.00		TBD	SDF Study to be completed Spring '23
6" meter	$ 128,800.00		TBD	SDF Study to be completed Spring '23
8" meter	$ 206,080.00		TBD	SDF Study to be completed Spring '23
10" meter	$ 540,960.00		TBD	SDF Study to be completed Spring '23
[1] In the event that a customer requests that an existing meter be replaced with a larger meter, credit will be given for the existing meter at the current rates. No rebates of system development fees will be made for decreases in meter sizes. No credits will be given for meters or services that have been pulled or capped due to condition, long-term vacancy or risk harming the public system.				
Volume Charges:				
Residential Volume Charges - Inside Town				
Residential Service:				
Block 1 (0-2,250 gallons/month)	$ 22.77		$ 22.80	Reduce minimum to 2,125 gal/mo
Block 2 (> 2,250 gallons/month)	$ 10.12	per 1,000 gallons	$ 10.73	per 1,000 gallons
Residential Volume Charges - Outside Town				
Residential Service:				
Block 1 (0-2,250 gallons/month)	$ 44.37		$ 44.41	Reduce minimum to 2,125 gal/mo
Block 2 (> 2,250 gallons/month)	$ 19.72	per 1,000 gallons	$ 20.90	per 1,000 gallons
Bulk Water	$ 19.72	per 1,000 gallons	$ 20.90	per 1,000 gallons
Water Connection Charge				
Front Footage Fee[1,2]:				
0 - 50 Feet	$ 750.00	per connection	TBD	SDF Study to be completed Spring '23
> 50 Feet	$ 15.00	per foot per connection	TBD	SDF Study to be completed Spring '23
[1] 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.				
[2] 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 $100, which includes town observation. 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)				
Water Meter Fees[1]				
5/8"	$ 354.00			
3/4"	$ 484.00			
1"	$ 487.00			
> 1"	Actual Cost of Meter to Town + $100 Installation Fee			
[1] 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.				
Strainer Fees[1]				
2"	$ 445.00			
3"	$ 790.00			
4"	$ 1,465.00			
6"	$ 2,061.00			
8"	$ 3,461.00			
10"	$ 5,420.00			
[1] 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.				
Fire Hydrant Meter Fees				
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			
Wastewater Collection System Use Fees				
Wastewater System Development or Capital Facilities Fee[1]:				
Residential	$ 3,243.00	per residential unit	TBD	SDF Study to be completed Spring '23
Commercial				SDF Study to be completed Spring '23
5/8" or 3/4" meter	$ 3,243.00		TBD	SDF Study to be completed Spring '23
1" meter	$ 5,405.00		TBD	SDF Study to be completed Spring '23
1.5" meter	$ 10,810.00		TBD	SDF Study to be completed Spring '23
2" meter	$ 17,296.00		TBD	SDF Study to be completed Spring '23
3" meter	$ 34,592.00		TBD	SDF Study to be completed Spring '23
4" meter	$ 54,050.00		TBD	SDF Study to be completed Spring '23
6" meter	$ 108,100.00		TBD	SDF Study to be completed Spring '23
8" meter	$ 172,960.00		TBD	SDF Study to be completed Spring '23
10" meter	$ 454,020.00		TBD	SDF Study to be completed Spring '23
[1] In the event that a customer requests that an existing meter be replaced with a larger meter, credit will be given for the existing meter at the current rates. No rebates of system development fees will be made for decreases in meter sizes. No credits will be given for meters or services that have been pulled or capped due to condition, long-term vacancy or risk harming the public system.				
Volume Charges:				
Inside Town				
Block 1 (0-2,250 gallons/month)	$ 32.04		$ 32.07	Reduce minimum to 2,125 gal/mo
Block 2 (> 2,250 gallons/month)	$ 14.24	per 1,000 gallons	$ 15.09	per 1,000 gallons
Outside Town				
Block 1 (0-2,250 gallons/month)	$ 62.46		$ 62.54	Reduce minimum to 2,125 gal/mo
Block 2 (> 2,250 gallons/month)	$ 27.76	per 1,000 gallons	$ 29.43	per 1,000 gallons

Wastewater Connection Charge				
Front Footage Fee[1]:				
0 - 50 Feet	$ 1,000.00			
> 50 Feet	$ 20.00	per foot per connection		
[1] 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.				
[2] 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.				
Lateral Fee:				
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 $100, which includes town observation. This 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)				
Engineering				
Water / Sewer Availability Review				
< 2 hours of effort	No Charge			
Outside Engineering or Legal Costs	Actual Cost to Town			
Engineering Construction Drawing Review				
Site Plan Review Fee			$150	per review; Site plan reviews still involve review time and multiple comments. Engineering is now looking at more than water and sewer with helping stormwater and public works.
Construction Drawings without Extensions			$300	per review; Some projects do not involve actual extensions, but still take time to review building layout, fire protection, backflow and other considerations, and to comment multiple times. As above, more review scope is also provided now by utilities engineers.
Water Main Extension Review[1]	$ 3.50	per linear foot		
Sewer Main Extension Review[1]	$ 3.50	per linear foot		
Pumping Stations (engineering review, inspection, start-up and acceptance)	$ 3,000.00	for up to two reviews and comments	$8,000	for up to two reviews and comments; review is significantly more in depth than water or sewer mains. Includes specs, calculations, easements, plan details incl. electrical, structural, operating and all ancilliary equipment like generators, flow meters, bypass pumping ports. Added fee includes overseeing the station construction by our engineering staff through acceptance which includes lots of testing and startup procedures.
Preliminary and Final Plat Reviews	$ 60.00	per review		
[1] 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.				
Construction Observation / As Built Review				
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		
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 occurance		
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		
Other				
Meter Replacement Fee	$ 50.00			
Meter Relocation Fee	$ 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		
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[1]	$ 500.00			
Hydrant Tampering Fee	$ 500.00			
Hydrant Tampering Civil Penalty[2]	$ 3,000.00			
Making tap connections to water and sewer without approval or notification of work	$ 1,000.00	each		
[1] The civil penalty shall be doubled for any future offenses within a two-year period.				
[2] The civil penalty shall be doubled for any future offenses by the same person.				

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Grant and ARPA Projects

FY2024 Operating & Capital Budget

Water & Sewer Fund

BRIC		
Project	**Anticpated Allocation**	**Comments**
RIver Pump Station	$5,810,000	TOH pays 30% match
OWASA Booster Pump Station	$1,010,000	TOH pays 20% match; or could use STAG Grant - will have to choose when terms come in.

AIA Grant		
Project	**Anticpated Allocation**	**Comments**
Hassel Water Tank	$40,000	Preliminary Tech Memo
US-70 Waterline	$30,000	Preliminary Tech Memo
Water System Master Planning	$100,000	No match required; plan budgeted in Util Admin in FY23

ARPA		
Project	**Anticpated Allocation**	**Comments**
Water System		
Hydrant & Valve Project	$400,000	May do a portion of this project in-house
Filters Repair and Rebuild	$95,000	Funds replacement of 1 filter
McAdams Road Main Replacement	$350,000	Equity priority: serves historically economically disadvantaged area.
Flow Transmitter	$12,000	Transmitter at West Fork Eno Reservoir; project funded in FY22 w/operating revenue
Paving & Curbing - WTP	$90,000	Paving and curbing has deteriorated and causing operational and environmental issues.
SCADA Update - WTP	$50,000	Update SCADA system to automate backwashing to prevent filter damage.
Galvanized Water Mains	$160,000	
Water Subtotal	**$1,157,000**	
Sewer System		
Lawndale - Pump Station & Basin Rehab	$935,000	Equity priority: serves historically economically disadvantaged area.
WWTP Clarifiers	$190,000	In-progress
Sewer Subtotal	**$1,125,000**	
Unassigned		
Unassigned	$192	
Unassigned Subtotal	**$192**	
TOTAL	**$2,282,192**	

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Full Time Equivalent Positions (FTEs)

FY2024 Operating & Capital Budget

Positions by Department and Fund

ADMINISTRATIVE SERVICES	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
ADMINISTRATIVE SERVICES DIRECTOR	1.00	1.00	1.00	1.00	1.00
BUDGET DIRECTOR	1.00	1.00	1.00	1.00	1.00
BUDGET & MANAGEMENT ANALYST	1.00	1.00	1.00	1.00	1.00
COMMUNICATIONS MANAGER	1.00	1.00	1.00	1.00	1.00
COMMUNICATIONS SPECIALIST	0.75	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST	1.00	1.00	1.00	1.00	1.00
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00	1.00
SENIOR COMMUNICATIONS SPECIALIST	1.00	1.00	1.00	1.00	1.00
TOWN CLERK/HUMAN RESOURCES TECHNICIAN	1.00	1.00	1.00	1.00	1.00
TOWN MANAGER	1.00	1.00	1.00	1.00	1.00
ADMINISTRATIVE SERVICES SUBTOTAL	**9.75**	**10.00**	**10.00**	**10.00**	**10.00**

ACCOUNTING	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
ACCOUNTING TECHNICIAN	1.40	2.40	2.40	2.40	2.40
ACCOUNTS PAYABLE TECHICIAN	1.00	1.00	1.00	1.00	1.00
FINANCE DIRECTOR	1.00	1.00	1.00	1.00	1.00
ASSISTANT FINANCE DIRECTOR	1.00	0.00	0.00	0.00	0.00
FINANCIAL ANALYST	1.00	1.00	1.00	1.00	1.00
ACCOUNTING SUBTOTAL	**5.40**	**5.40**	**5.40**	**5.40**	**5.40**

PLANNING	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
ASSISTANT TOWN MANAGER/COMMUNITY SERVICES DIRECTOR	1.00	1.00	1.00	1.00	1.00
PLANNER	1.00	1.00	1.00	1.00	1.00
PLANNING & ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00	1.00
PLANNING TECHNICIAN	1.00	1.00	1.00	1.00	1.00
SENIOR PLANNER	1.00	1.00	1.00	1.00	1.00
PLANNER II	0.00	0.00	1.00	1.00	1.00
PLANNING SUBTOTAL	**5.00**	**5.00**	**6.00**	**6.00**	**6.00**

FACILITIES MANAGEMENT	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
FACILITIES COORDINATOR	1.00	1.00	1.00	1.00	1.00
FACILITIES MANAGEMENT SUBTOTAL	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

POLICE	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
CHIEF OF POLICE	1.00	1.00	1.00	1.00	1.00
EVIDENCE & PROPERTY TECHNICIAN	0.40	0.40	0.40	0.40	0.40
MANAGEMENT ANALYST	1.00	1.00	1.00	1.00	1.00
MASTER POLICE OFFICER	2.00	0.00	0.00	0.00	0.00
POLICE CORPORAL	4.00	1.00	1.00	1.00	1.00
POLICE LIEUTENANT	4.00	4.00	4.00	4.00	4.00
POLICE MAJOR	0.00	2.00	2.00	2.00	2.00
POLICE OFFICER	13.00	13.00	15.00	15.00	15.00
POLICE OFFICER 1ST CLASS	1.00	1.00	1.00	1.00	1.00
POLICE OFFICER TRAINEE	0.00	3.00	3.00	3.00	3.00
POLICE SERGEANT	6.00	7.00	7.00	7.00	7.00
SENIOR ADMINISTRATIVE SUPPORT SPECIALIST	1.00	1.00	1.00	1.00	1.00
SSA	0.00	0.00	0.00	0.00	0.00
SOCIAL WORKER	0.00	0.00	1.00	1.00	1.00
POLICE SUBTOTAL	**33.40**	**34.40**	**37.40**	**37.40**	**37.40**

FLEET MAINTENANCE	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
FLEET MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00	1.00
FLEET MECHANIC	2.00	2.00	2.00	2.00	2.00
FLEET MAINTENANCE SUBTOTAL	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**

STREETS	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
CIVIL ENGINEERING TECHNICIAN	0.10	0.10	0.10	0.10	0.10
ENVIRONMENTAL ENGINEERING SUPERVISOR	0.10	0.10	0.10	0.10	0.10
EQUIPMENT OPERATOR I	1.00	1.00	2.00	2.00	2.00
EQUIPMENT OPERATOR II	0.60	0.60	0.60	0.60	0.60
PUBLIC WORKS SUPERVISOR	0.00	1.00	1.00	1.00	1.00
CREW LEADER	1.00	0.00	0.00	0.00	0.00
STREETS SUBTOTAL	**2.80**	**2.80**	**3.80**	**3.80**	**3.80**

SOLID WASTE	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
CREW LEADER	0.00	1.00	1.00	1.00	1.00
EQUIPMENT OPERATOR I	3.00	2.00	2.00	2.00	2.00
PUBLIC WORKS MANAGER	1.00	1.00	1.00	1.00	1.00
SENIOR ADMINISTRATIVE SUPPORT SPECIALIST	0.50	0.50	0.50	0.50	0.50
SOLID WASTE SUBTOTAL	**4.50**	**4.50**	**4.50**	**4.50**	**4.50**

PUBLIC SPACE	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
EQUIPMENT OPERATOR II	0.40	0.40	0.40	0.40	0.40
PUBLIC SPACE & SUSTAINABILITY MANAGER	1.00	1.00	1.00	1.00	1.00
SENIOR ADMINISTRATIVE SUPPORT SPECIALIST	0.50	0.50	0.50	0.50	0.50
PUBLIC SPACE SUBTOTAL	**1.90**	**1.90**	**1.90**	**1.90**	**1.90**

SAFETY AND RISK MANAGEMENT	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
SAFETY AND RISK MANAGER	1.00	1.00	1.00	1.00	1.00
SAFETY AND RISK MANAGEMENT SUBTOTAL	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

INFORMATION TECHNOLOGY	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
IT MANAGER	1.00	1.00	1.00	1.00	1.00
INFORMATION TECHNOLOGY SUBTOTAL	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

UTILITIES ADMINISTRATION	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
CIVIL ENGINEERING TECHNICIAN	0.80	0.80	0.80	0.80	0.80
ENVIRONMENTAL ENGINEERING SUPERVISOR	0.80	0.80	0.80	0.80	0.80
UTILITIES DIRECTOR	1.00	1.00	1.00	1.00	1.00
UTILITIES INSPECTOR	1.00	1.00	1.00	1.00	1.00
UTILITIES ADMINISTRATIVE ASSISTANT	0.00	0.00	0.00	1.00	1.00
UTILITIES ADMINISTRATION SUBTOTAL	**3.60**	**3.60**	**3.60**	**4.60**	**4.60**

BILLING & COLLECTIONS	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
ACCOUNTING TECHNICIAN	0.00	1.00	1.00	1.00	1.00
BILLING & CUSTOMER SERVICE SUPERVISOR	1.00	1.00	1.00	1.00	1.00
CUSTOMER SERVICE REPRESENTATIVE	2.35	2.35	2.35	2.35	2.35
SENIOR CUSTOMER SERVICE REPRESENTATIVE	0.00	0.00	0.00	0.00	0.00
METER SERVICES SUPERVISOR	1.00	1.00	1.00	1.00	1.00
METER SERVICES TECHNICIAN	1.00	1.00	1.00	1.00	1.00
BILLING & COLLECTIONS SUBTOTAL	**5.35**	**6.35**	**6.35**	**6.35**	**6.35**

WATER TREATMENT PLANT	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
OPERATOR IN RESPONSIBLE CHARGE	1.00	1.00	1.00	1.00	1.00
PLANT MAINTENANCE MECHANIC I	1.00	1.00	1.00	1.00	1.00
WATER PLANT OPERATOR I	2.00	2.00	2.00	2.00	2.00
WATER PLANT OPERATOR III	2.00	2.80	2.80	2.80	2.80
WATER PLANT SUPERINTENDENT	1.00	1.00	1.00	1.00	1.00
WATER TREATMENT PLANT SUBTOTAL	**7.00**	**7.80**	**7.80**	**7.80**	**7.80**

WATER DISTRIBUTION	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
BACKFLOW/FOG SPECIALIST	0.50	0.50	0.50	0.50	0.50
UTILITY MAINTENANCE TECHNICIAN I	1.00	3.00	3.00	3.00	3.00
UTILITY MAINTENANCE TECHNICIAN II	2.00	1.00	1.00	1.00	1.00
UTILITY MAINTENANCE TECHNICIAN III	1.00	1.00	1.00	1.00	1.00
UTILITY SYSTEM SUPERINTENDENT	0.50	0.50	0.50	0.50	0.50
UTILITY SYSTEMS MECHANIC III	1.00	1.00	1.00	1.00	1.00
UTILITY SYSTEMS SUPERVISOR	1.00	1.00	1.00	1.00	1.00
WATER DISTRIBUTION SUBTOTAL	**7.00**	**8.00**	**8.00**	**8.00**	**8.00**

WASTEWATER COLLECTION	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
BACKFLOW/FOG SPECIALIST	0.50	0.50	0.50	0.50	0.50
UTILITY MAINTENANCE SUPERVISOR	1.00	1.00	1.00	1.00	1.00
UTILITY SYSTEM SUPERINTENDENT	0.50	0.50	0.50	0.50	0.50
UTILITY SYSTEMS MECHANIC I	4.00	4.00	5.00	5.00	5.00
UTILITY SYTEMS MECHANIC II	1.00	1.00	1.00	1.00	1.00
WASTEWATER COLLECTION SUBTOTAL	**7.00**	**7.00**	**8.00**	**8.00**	**8.00**

WASTEWATER TREATMENT PLANT	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
CHIEF WASTEWATER PLANT OPERATOR	1.00	1.00	1.00	1.00	1.00
DEPUTY UTILTIES DIRECTOR - WATER TREATMENT	0.00	1.00	1.00	1.00	1.00
PLANT MAINTENANCE MECHANIC I	0.00	1.00	1.00	1.00	1.00
UTILITY SYSTEMS MECHANIC I	1.00	1.00	1.00	1.00	1.00
WASTEWATER LABORATORY SUPERVISOR	1.00	1.00	1.00	1.00	1.00
WASTEWATER PLANT OPERATOR I	0.00	1.00	1.00	1.00	1.00
WASTEWATER PLANT OPERATOR II	2.00	1.00	1.00	1.00	1.00
WASTEWATER PLANT SUPERINTENDENT	1.00	0.00	0.00	0.00	0.00
WASTEWATER TREATMENT PLANT SUBTOTAL	**6.00**	**7.00**	**7.00**	**7.00**	**7.00**

STORMWATER	FY22 Actual	FY23 Actual	FY24 Budget	FY25 Projection	FY26 Projection
CIVIL ENGINEERING TECHNICIAN	0.10	0.10	0.10	0.10	0.10
ENVIRONMENTAL ENGINEERING SUPERVISOR	0.10	0.10	0.10	0.10	0.10
EQUIPMENT OPERATOR I	1.00	1.00	1.00	2.00	2.00
STORMWATER & ENVIRONMENTAL SERVICES MANAGER	1.00	1.00	1.00	1.00	1.00
STORMWATER PROGRAM COORDINATOR	1.00	1.00	1.00	1.00	1.00
STORMWATER TECHNICIAN	0.00	0.00	1.00	1.00	1.00
STORMWATER SUBTOTAL	**3.20**	**3.20**	**4.20**	**5.20**	**5.20**

SUMMARY BY FUND					
GENERAL FUND	68.75	70.00	75.00	75.00	75.00
WATER AND SEWER FUND	35.95	39.75	40.75	41.75	41.75
STORMWATER FUND	3.20	3.20	4.20	5.20	5.20
GRAND TOTAL	**107.90**	**112.95**	**119.95**	**121.95**	**121.95**

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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

BSC	Balanced Scorecard
CDBG	Community Development Block Grant
CIP	Capital Improvement Plan
COPS	Certificates of Participation
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