

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Virtual Budget Work Session
June 9, 2020
Meeting – 7:00 p.m.

Due to current public health concerns, the Board of Commissioners is conducting a Virtual Budget Work Session on June 9, 2020 utilizing Zoom. Members of the Board of Commissioners will be participating in the meeting remotely. As in prior meetings, members of the public will be able to view and listen to the meeting via live streaming video at orangecountync.gov/967/Meeting-Videos and on Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

- 7:00-8:15 1. Discussion of FY2020-21 Operating Budget
- Funding Decisions on the Operating Budget Amendment List
 - Funding Decisions on the Other Funds Budget Amendment List
 - Funding Decisions for Chapel Hill-Carrboro City Schools and Orange County Schools
 - Current Expense (Per Pupil)
- 8:15-8:45 2. Discussion of FY2020-25 Capital Investment Plan
- Funding Decisions on the Capital Investment Plan Amendment List
 - Accept FY2020-25 Capital Investment Plan and Approve the Intent to Adopt Capital Funding for FY2020-21
- 8:45-9:00 3. Discussion and Decision on the FY2020-21 County Fee Schedule
- 9:00-9:30 4. Discussion and Decision on the FY2020-21 Tax Rates
- i. Ad Valorem Tax
 - ii. Chapel Hill-Carrboro City Schools Special District Tax
 - iii. Fire District Tax Rates
- 9:30-9:45 5. **Break** (to allow Finance and Administrative Services to formulate Draft Resolution of Intent to Adopt FY2020-21 Operating Budget)

Orange County Board of Commissioners' regular meetings and work sessions are available via live streaming video at <http://www.orangecountync.gov/967/Meeting-Videos> and Orange County Gov-TV on channels 1301 or 97.6 (Time Warner Cable).

- 9:45-10:00 6. Resolution of Intent to Adopt FY2020-21 Annual Operating Budget
- Approval of Resolution of Intent to Adopt FY2020-21 Annual Operating Budget at the Board of County Commissioners Regular Meeting on June 16, 2020

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 9, 2020

**Action Agenda
Item No. 1, 3, & 4**

SUBJECT: Discussion and Decisions of FY2020-21 Operating Budget, County Fee Schedule, and Tax Rates

DEPARTMENT: County Manager and Finance and Administrative Services

ATTACHMENT(S):

- A. FY2020-21 Operating Budget Amendment List
(Any Updates to the list will be provided prior to the meeting)

INFORMATION CONTACT:

Bonnie Hammersley, (919) 245-2300
 Travis Myren, (919) 245-2308
 Gary Donaldson, (919) 245-2453
 Paul Laughton, (919) 245-2152

PURPOSE: For the Board to review, discuss and make decisions regarding the FY2020-21 Manager’s Recommended Orange County Annual Operating Budget and approve a Resolution of Intent to Adopt the FY2020-21 Orange County Annual Operating Budget.

BACKGROUND: The County Manager presented the FY2020-21 Recommended Budget on May 5, 2020. Subsequently, the Board has conducted two public hearings to receive residents' comments regarding the proposed funding plan. In addition to the public hearings, the Board heard presentations and held discussions with representatives of the County fire districts, the local boards of education, representatives of the community college, and County Functional Leadership Teams as related to the proposed funding plan for FY2020-21.

Tonight’s Agenda: Tonight's work session offers the Board an opportunity to discuss the recommended budget, including discussion and review of the Budget Amendment list. As soon as these discussions are completed, the Board will deliberate and make decisions regarding the FY2020-21 Annual Operating Budget and approve a Resolution of Intent to Adopt the FY 2020-21 Annual Operating Budget. The Board is scheduled to adopt the final FY2020-21 Annual Operating Budget for Orange County at its regular meeting on June 16, 2020.

FINANCIAL IMPACT: To be determined as the Board finalizes the FY2020-21 Annual Operating Budget.

SOCIAL JUSTICE IMPACT: There are no Social Justice Goal impacts associated with this item.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts associated with this agenda item.

RECOMMENDATION(S): The Manager recommends the Board make decisions regarding the FY2020-21 Orange County Annual Operating Budget and approve a Resolution of Intent to Adopt the FY2020-21 Orange County Annual Operating Budget.

Amendment	Sponsor	Budget Page	Department	Amendment	Amount	General Fund Total	Other Funds Total
20-21OP-001	Commissioner Greene		Outside Agencies	Fund (\$20,000) to support a new nonprofit Reentry House Plus, Inc. that is in the process of opening a reentry house for men emerging from their sentences at Orange Correctional.	\$ 20,000.00	\$20,000.00	
20-21OP-002	Commissioner Greene		Human Services	Use \$20,000 from the Social Justice Fund to support the new nonprofit Reentry House Plus, Inc.	\$ (20,000.00)	\$0.00	
20-21OP-003	Commissioner Bedford Commissioner McKee		BOCC	Repeal the salary increase for Commissioners effective December 1, 2020. The cost is \$12,710.00 including FICA and retirement.	\$ (12,710.00)	(\$12,710.00)	
20-21OP-004	Commissioner Marcoplos		BOCC	Eliminate funding for the National Association of Counties (NACo) membership dues.	\$ (2,666.00)	(\$15,376.00)	
20-21OP-005	Commissioner Marcoplos		Human Services	Direct funds allocated for NACo memberships dues to the Social Justice Fund.	\$ 2,666.00	(\$12,710.00)	
20-21OP-006	Commissioner Marcoplos		BOCC	Eliminate funding for the UNC School of Government (UNC-SOG) membership dues.	\$ (17,168.00)	\$ (29,878.00)	
20-21OP-007	Commissioner Marcoplos		Human Services	Direct funds allocated for UNC-SOG memberships dues to the Social Justice Fund.	\$ 17,168.00	\$ (12,710.00)	
20-21OP-008	Commissioner Marcoplos		BOCC	Eliminate funding for the North Carolina Association of County Commissioners (NCACC) membership dues.	\$ (12,755.00)	\$ (25,465.00)	
20-21OP-009	Commissioner Marcoplos		Human Services	Direct funds allocated for NCACC memberships dues to the Social Justice Fund.	\$ 12,755.00	\$ (12,710.00)	
20-21OP-010	Commissioner Marcoplos		BOCC	Eliminate funding for the Triangle J membership	\$ (22,213.00)	\$ (34,923.00)	

Amendment	Sponsor	Budget Page	Department	Amendment	Amount	General Fund Total	Other Funds Total
20-21OP-011	Commissioner Marcoplos		Human Servies	Direct funds allocated Triangle J membership dues to the Social Justice Fund.	\$ 22,213.00	\$ (12,710.00)	
20-21OP-012	Staff	141	Debt Service	Reduce Debt Service Payments in FY 20-21 due to lower interest rate realized as part of the G.O. Bond issuance in May 2020	\$ (209,779.00)	\$ (222,489.00)	
20-21OP-013	Staff	366	Transfer to Affordable Houising Initiatives/Community Development Fund	Reduce County match to the HOME Program as a result of a calculation error in determining the match requirement	\$ (3,654.00)	\$ (226,143.00)	
20-21OP-014	Commissioner Rich	285	Non-Departmental	Suspend the \$568,139 proposed for the Chapel Hill Library in FY 2020-21	\$ (568,139.00)	\$ (794,282.00)	
20-21OP-015	Commissioner Rich		Education	Set up a COVID focused "Education Fund" to assist students in need of technology and broadband in both districts, in order to prevent the opportunity gap from growing larger during the COVID-19 pandemic	\$ 500,000.00	\$ (294,282.00)	
20-21OP-016	Commissioner Rich		Non-Departmental	Set up a fund to assist non-Chapel Hill residents (on a sliding scale) with a household library card if Chapel Hill decides to charge a fee for the use of the library by non-Chapel Hill residents	\$ 68,139.00	\$ (226,143.00)	
20-21OP-017	Staff	253	Human Rights & Relations	Fund the development of a Racial Equity Index Platform to track progress of the County's racial equity initiatives, and to follow trends in racial disparities	\$ 35,000.00	\$ (191,143.00)	
20-21OP-018	Staff	64	Article 46 Sales Tax Fund	Receipt of \$410,000 in Article 46 Sales Tax Small Business Loan Funds to be used for Emergency Grants to small businesses		\$ (191,143.00)	\$ 410,000.00
20-21OP-019	Staff	143	Visitors Bureau Fund	Reduce the Visitors Bureau Fund expenditure budget by \$19,308 to correct an error related to indirect cost allocation		\$ (191,143.00)	\$ (19,308.00)
20-21OP-020	Staff	350	Solid Waste Enterprise Fund	Increase the Solid Waste Enterprise Fund expenditure budget by \$475,000 to reflect the Transfer of funds to the General Fund as an expense		\$ (191,143.00)	\$ 475,000.00
20-21OP-021						\$ (191,143.00)	
20-21OP-022						\$ (191,143.00)	
20-21OP-023						\$ (191,143.00)	

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 9, 2020

**Action Agenda
Item No. 2**

SUBJECT: Discussion and Decisions of FY2020-25 Capital Investment Plan

DEPARTMENT: County Manager and Finance and Administrative Services

ATTACHMENT(S):

- A. FY2020-25 Capital Investment Plan
Budget Amendment List
*(Any Updates to the list will be
provided prior to the meeting)*

INFORMATION CONTACT:

Bonnie Hammersley, (919) 245-2300
Travis Myren, (919) 245-2308
Gary Donaldson, (919) 245-2453
Paul Laughton, (919) 245-2152

PURPOSE: FY2020-25 Capital Investment Plan - Accept the Five Year Capital Investment Plan and Approve the Intent to Adopt Capital Funding for FY2020-21.

BACKGROUND: For over 20 years, the County has produced a Capital Investment Plan (CIP) that establishes a budget planning guide related to capital needs for the County as well as Schools. The current CIP consists of a 5-year plan that is evaluated annually to include year-to-year changes in priorities, needs, and available resources. Approval of the CIP commits the County to the first year funding only of the capital projects; all other years are used as a planning tool and serves as a financial plan.

Capital Investment Plan – Overview

The FY 2020-25 CIP includes County Projects, School Projects, and Proprietary Projects. The School Projects include Chapel Hill-Carrboro City Schools, Orange County Schools, and Durham Technical Community College – Orange County Campus projects. The Proprietary Projects include Water and Sewer, Solid Waste Enterprise Fund, and Sportsplex projects.

The CIP has been prepared anticipating moderate economic growth of approximately 2% in property tax growth over the next five years, and 4% sales tax growth in Years 2-5. Sales Tax proceeds for Year 1 (FY 2020-21) are estimated to decline by 4.5% due to the current coronavirus pandemic. Many of the projects in the CIP will rely on debt financing to fund the projects.

The items below include revisions made to the following Capital Projects since the presentation of the Manager's Recommended Capital Investment Plan on April 2, 2019:

- At the May 14, 2020 Budget Work Session, staff included a revised Schools Capital Projects Summary reflecting adjustments made in regards to changes to the FY 2020-21 budgeted ADM percentages, based on changes made from the time of the original CIP presentation and the FY 2020-21 Manager's Recommended Operating Budget presentation. The impact of these numbers changed the CHCCS % from 60.14% to 59.99%, and changed the OCS % from 39.86% to 40.01%.

FINANCIAL IMPACT: The Five Year Capital Investment Plan is a long-range financial planning tool with a financial impact in FY2020-21, if the first year of the CIP is approved by the Board of County Commissioners with the adoption of the Annual Operating Budget.

SOCIAL JUSTICE IMPACT: There are no Social Justice Goal impacts associated with this item.

ENVIRONMENTAL IMPACT: There are no Orange County Environmental Responsibility Goal impacts associated with this agenda item.

RECOMMENDATION(S): The Manager recommends that the Board accept the Five Year Capital Investment Plan and Approve the Intent to Adopt Capital Funding for FY2020-21.

BOARD OF ORANGE COUNTY COMMISSIONERS (BOCC)
DRAFT - CIP Amendment List

Agenda Item 2
ATTACHMENT A 3

Amendment #	Sponsor	CIP Budget Page	Department	Amendment	Amount
20-21CIP-001	Commissioner Dorosin	135	Education	Move the Durham Tech Expansion Project planning up to year 1	\$ 1,000,000.00
20-21CIP-002	Commissioner Dorosin	135	Education	Move Durham Tech Expansion Project phase 2 up to year 2	\$ 14,000,000.00
20-21CIP-003	Commissioner Dorosin	135	Education	Move the Durham Tech Expansion Project phase 3 up to year 3	\$ 11,547,911.00
20-21CIP-004	Commissioner Dorosin	Various	County CIP Projects	Delay the following CIP projects from Year 1 (FY 20-21) to Years 6-10: Conservation Easements (\$1,000,000); Roofing Projects (25,000); EMS Substation - Morgue Project (\$675,000); Blackwood Farm Park (\$350,000); IT (\$900,000); Vehicle Replacements (\$250,000)	\$ (3,200,000.00)
20-21CIP-005	Commissioner Dorosin	Various	County CIP Projects	Delay the following CIP projects from Year 2 (FY 21-22) to Years 6-10: Soccer.com (\$4,589,000); some IT Infrastructure (\$1,500,000); Millhouse Road Park (\$400,000); Lands Legacy (\$500,000); Lake Orange Dam (\$50,526); Little River Park, Phase II (\$500,000); Roofing Projects (\$250,000); Twin Creeks Park (\$220,000); Old Courthouse Square (\$220,000); Vehicle Replacements (\$250,000)	\$ (8,479,526.00)
20-21CIP-006	Commissioner Dorosin	Various	County CIP Projects	Delay the following CIP projects from Year 3 (FY 2022-23) to Years 6-10: Millhouse Road Park (\$6,400,000); Twin Creeks Park (\$3,780,000); Conservation Easements (\$1,000,000); Blackwood Farm Park (\$300,000); Fairview Park (\$2,000,000); Courthouse Square (\$390,000); IT (\$748,385); Vehicle Replacements (\$250,000)	\$ (14,868,385.00)
20-21CIP-007	Commissioner Price	135	Education	Move the Durham Tech Expansion Project planning up to year 1	\$ 1,000,000.00
20-21CIP-008	Commissioner Price	Various	County CIP Projects	Remove the following CIP projects from Year 1 (FY 20-21): EMS - Substation - Morgue project (\$675,000); Millhouse Road Park (\$300,000); Roofing Project (\$25,000); Vehicle Replacements (\$100,000)	\$ (1,100,000.00)
20-21CIP-009	Commissioner Price	135	Education	Move Durham Tech Expansion Project phase 2 up to year 2	\$ 14,000,000.00
20-21CIP-010	Commissioner Price	Various	County CIP Projects	Delay the following CIP projects from Year 2 (FY 21-22) to Years 6-10: Soccer.com (\$4,589,000); some IT Infrastructure (\$382,300); Little River Park, Phase II (\$500,000); Roofing Projects (\$250,000); Twin Creeks Park (\$220,000); Vehicle Replacements (\$100,000)	\$ (6,041,300.00)

BOARD OF ORANGE COUNTY COMMISSIONERS (BOCC)
DRAFT - CIP Amendment List

Agenda Item 2
ATTACHMENT A 4

20-21CIP-011	Commissioner Price	135	Education	Move the Durham Tech Expansion Project phase 3 up to year 3	\$ 11,547,911.00
20-21CIP-012	Commissioner Price	Various	County CIP Projects	Delay the following CIP projects from Year 3 (FY 2022-23) to Years 6-10: Millhouse Road Park (\$6,400,000); Twin Creeks Park (\$3,780,000); Blackwood Farm Park (\$300,000); Courthouse Square (\$350,000); Vehicle Replacements (\$100,000)	\$ (10,930,000.00)
20-21CIP-013	Staff	44	Roofing Projects	Remove \$25,000 from Year 1 (FY 2020-21) and \$250,000 from Year 2 (FY 2021-22) related to the Design Costs and Roof Replacement of the Main Library	\$ (275,000.00)
20-21CIP-014	Staff	53	EMS Substations	Reduce the Morgue portion of the EMS Substation project in Year 1 (FY 2020-21) from \$1.2 million to \$525,000	\$ (675,000.00)
20-21CIP-015	Staff	82	Solid Waste Projects	Defer Recycling Operations - Vehicle/Equipment Replacements of \$570,800 from Year 1 (FY 2020-21) to Year 2 (FY 2021-22)	\$ (570,800.00)