

ORANGE COUNTY BOARD OF COMMISSIONERS

AGENDA

BOCC Budget Work Session
June 8, 2023
Meeting - 7:00 p.m.
Donna S. Baker Meeting Room
Whitted Building
300 W. Tryon Street
Hillsborough, NC 27278

The Board of Commissioners is conducting a Budget Work Session on June 8, 2023, and the public is invited to attend the meeting. There will not be an opportunity for members of the public to speak as the Board does not receive public comments during work sessions. Members of the public may provide written comments by submitting them to the ocbocc@orangecountync.gov email address. Members of the public will also 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).

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|------------|----|---|
| 7:00-8:15 | 1. | Discussion of FY 2023-24 Operating Budget <ul style="list-style-type: none">• Funding Decisions on the Operating Budget Amendment List• Funding Decisions for Chapel Hill-Carrboro City Schools and Orange County Schools<ul style="list-style-type: none">○ Current Expense (Per Pupil) |
| 8:15-8:45 | 2. | Discussion of FY 2023-33 Capital Investment Plan <ul style="list-style-type: none">• Funding Decisions on the Capital Investment Plan Amendment List• Accept FY 2023-33 Capital Investment Plan and Approve the Intent to Adopt Capital Funding for FY 2023-24 |
| 8:45-9:00 | 3. | Discussion and Decision on the FY 2023-24 County Fee Schedule |
| 9:00-9:30 | 4. | Discussion and Decision on the FY 2023-24 Tax Rates <ul style="list-style-type: none">i. County Ad Valorem Taxii. Chapel Hill-Carrboro City Schools Special District Taxiii. Fire District Tax Rates |
| 9:30-9:45 | 5. | BREAK (to allow Budget staff to formulate the Draft Resolution of Intent to Adopt FY 2023-24 Operating Budget) |
| 9:45-10:00 | 6. | Resolution of Intent to Adopt FY 2023-24 Annual Operating Budget <ul style="list-style-type: none">• Approval of Resolution of Intent to Adopt FY 2023-24 Annual Operating Budget at the Board of County Commissioners' Business Meeting on June 20, 2023 |

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 (Spectrum Cable).

**ORANGE COUNTY
BOARD OF COMMISSIONERS
ACTION AGENDA ITEM ABSTRACT
Meeting Date: June 8, 2023**

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

SUBJECT: Discussion and Decisions on FY 2023-24 Operating Budget, County Fee Schedule, and Tax Rates

DEPARTMENT: County Manager

ATTACHMENT(S):

- A. FY 2023-24 Operating Budget
Amendment List

Also available electronically at:

<https://www.orangecountync.gov/budget/amendments>

INFORMATION CONTACT:

Bonnie Hammersley, (919) 245-2300
Travis Myren, (919) 245-2308
Kirk Vaughn, (919) 245-2153

PURPOSE: To review, discuss and make decisions regarding the FY 2023-24 Manager's Recommended Orange County Annual Operating Budget and approve a Resolution of Intent to Adopt the FY 2023-24 Orange County Annual Operating Budget.

BACKGROUND: The County Manager presented the FY 2023-24 Recommended Budget on May 2, 2023. 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 FY 2023-24.

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 FY 2023-24 Annual Operating Budget and approve a Resolution of Intent to Adopt the FY 2023-24 Annual Operating Budget. The Board is scheduled to adopt the final FY 2023-24 Annual Operating Budget for Orange County at its Business meeting on June 20, 2023.

FINANCIAL IMPACT: The financial impact is to be determined as the Board finalizes the FY 2023-24 Annual Operating Budget.

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

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

RECOMMENDATION(S): The Manager recommends the Board make decisions regarding the FY 2023-24 Orange County Annual Operating Budget and approve a Resolution of Intent to Adopt the FY2023-24 Orange County Annual Operating Budget.

Attachment A

FY 2023-24 Proposed Operating Amendments to the Recommended Budgets

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Amendment	Sponsor	Budget Page	Department	Amendment	Revenue	Expense	General Fund Total
OPER-001	Bedford	191	Library Non-Departmental	Increase funding to Town of Chapel Hill Library	\$0	\$85,000	\$85,000
OPER-002	Bedford	67	Asset Management Services	Utilize County Capital Reserve to perform Efland Cheeks Community Center Feasibility Study	\$6,000	\$6,000	\$0
OPER-003	Bedford	165	Housing Dept.	Provide additional funding for IFC's Permanent Supportive Housing program. Supported by .07 cent tax increase	\$158,059	\$150,000	(\$8,059)
OPER-004	Richards	114	CJRD	Create OC Build Pilot Program, conditional on receiving offsetting revenue from ABC Board (\$70k) and Chapel Hill Police Dept. (\$20k)	\$90,000	\$90,000	\$0
OPER-005	Hamilton	224	Sportsplex	Have Sportsplex pay back 20% of pandemic recovery funding to General Fund	\$158,000	\$0	(\$158,000)
OPER-005	Hamilton	224	Sportsplex	Reduce Tax Rate by .07	(\$158,059)	\$0	\$158,059
OPER-006	Hamilton	224	Visitors Bureau	Have Visitors Bureau pay back 20% of pandemic recovery funding to General Fund.	\$112,000	\$0	(\$112,000)
OPER-006	Hamilton	224	Visitors Bureau	Reduce Tax Rate by .05	(\$112,890)	\$0	\$112,890
OPER-007	Hamilton	64	Article 46	Cut \$20,000 in Article 46 funding for Durham Tech Innovation Hub, reallocated to County Economic Development pool.			\$0

Amendment	Sponsor	Budget Page	Department	Amendment	Revenue	Expense	General Fund Total
OPER-008	Fowler	299	Policies	Return Fund Balance Policy to 2017 version to be discussed in Fall			\$0
OPER-009	Bedford	N/A	Policies	Amend the Outside Agency Funding Policy to remove funding target			\$0
OPER-010	Staff	212	DSS	Add 50% offsetting revenue for new DSS Community Technician FTEs.	\$37,490	\$0	(\$37,490)
OPER-011	Staff	113	Courts	Add One-Time County Capital to offset badge readers/security upgrades	\$20,000	\$0	(\$20,000)
OPER-012	Staff	189	Human Services Non-Dept	Reduce Funding to Social Justice Reserve Fund to balance budget		(\$20,400)	(\$20,400)
Grand Total					\$310,600	\$310,600	\$0

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: June 8, 2023

**Action Agenda
Item No. 2**

SUBJECT: Discussion and Decisions on FY 2023-33 Capital Investment Plan

DEPARTMENT: County Manager

ATTACHMENT(S):

- A. FY2023-33 Capital Investment Plan
Budget Amendment List

Also available electronically at:

<https://www.orangecountync.gov/budget/amendments>

INFORMATION CONTACT:

Bonnie Hammersley, (919) 245-2300
Travis Myren, (919) 245-2308
Kirk Vaughn, (919) 245-2153

PURPOSE: To discuss the FY 2023-33 Capital Investment Plan, accept the Ten Year Capital Investment Plan, and approve the Intent to Adopt Capital Funding for FY 2023-24.

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 10-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 2023-33 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 and 4% sales tax growth over the next ten years. 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 4, 2023:

- As a part of the annual budget process, adjustments are made to the allocation of school funding based on changes to the FY 2023-24 budgeted average daily membership (ADM) percentages. At the time of the Capital Improvement Plan presentation, only FY 2022-23 ADM information was available. The impact of these numbers changed the CHCCS percentage from 58.78% to 58.44%, and changed the OCS percentage from 41.22% to

41.56%. This adjustment is accounted for prior to the Board amendment to adjust the Article 46 capital allocation policy.

FINANCIAL IMPACT: The Ten Year Capital Investment Plan is a long-range financial planning tool with a financial impact in FY 2023-24, 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 Orange County Social Justice Goal impacts associated with this item.

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

RECOMMENDATION(S): The Manager recommends that the Board accept the Ten Year Capital Investment Plan and approve the Intent to Adopt Capital Funding for FY 2023-24.

FY 2023-24 Proposed Capital Amendments to the Recommended Budget

Amendment #	Sponsor	CIP Budget Page	Department	Amendment	Revenue	Expense
CIP-001	Bedford	114	School Capital	Change Policy for allocation of Article 46 proceeds to school district by excluding Charter Students in formula. This provides CHCCS an additional \$75,549 in funding for technology capital expenses, and reduces OCS's funding by the same amount.	\$0	\$0