



February 27, 2003

Mayor Kevin Foy and  
 Chapel Hill Town Council Members  
 Chapel Hill Town Hall  
 306 North Columbia Street  
 Chapel Hill, NC 27516

Re: Budget presentation

Board of Directors

Wayne Kuncel  
Chair

Nina Moseley  
Vice-Chair

Eleanor Howe  
Secretary

Amy Newton  
Treasurer

Marceia Blake

Flicka Bateman

Marion Brooks

Laurie Charest

Gary Giles

Amy Hannon

Barbara Kaminski

Susan Levy

Mahin Malekian

Chris Moses

Ruffin Slater

Garry Sronce

Alex Zaffron

Loren Zawawi

Robert Dowling  
Executive Director

Funding provided by

Town of Chapel Hill

Orange County

Town of Carrboro

Town of Hillsborough

Dear Mayor Foy and Council Members:

Wayne Kuncel, Board President of Orange Community Housing and Land Trust asked that I provide the Council with the enclosed budget projections. Wayne also asked that I express appreciation to the Council and Town Manager for the opportunity to meet and discuss our future plans and budgetary needs.

Enclosed are three budget documents:

- Attachment A – approved operating budgets for the past four fiscal years
- Attachment B – projected budgets for fiscal years 03-04, 04-05 and 05-06
- Attachment C – detailed line item budgets for fiscal years 03-04, 04-05 and 05-06

Please note that we have tried to minimize requests for funding increases from the local governments. However, this will require that we continue to earn substantial fee income from developments and that we further diversify our funding sources. These projected budgets include modest amounts of operational funding from HOME funds, a source not used in the past.

As an organization that had to seek emergency financial assistance from all the local governments in 1998, we are very aware of the dangers of relying too heavily on fee income. We believe the enclosed projections represent a responsible budget that will enable the Land Trust to continue as a financially viable organization.

We thank you for this opportunity, and we appreciate the Council's determination to include permanently affordable housing throughout Chapel Hill.

Sincerely,

*Robert Dowling*  
 Robert Dowling  
 Executive Director

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**ATTACHMENT A**

**Orange Community Housing and Land Trust**

**Approved Operating Budgets**

	<b>1999-2000</b>	<b>2000-2001</b>	<b>2001-2002</b>	<b>2002-2003</b>
Town of Chapel Hill	77,000	87,000	90,000	90,000
Orange County	76,750	86,750	86,750	86,750
Town of Carrboro	15,000	18,000	18,000	18,000
Town of Hillsborough	2,000	2,000	2,500	2,500
<b>Total Core Income</b>	<b>170,750</b>	<b>193,750</b>	<b>197,250</b>	<b>197,250</b>
TANF fees	0	9,000	17,000	0
Development Fees	0	1,000	33,000	50,000
HUD Grant	10,000	40,000	23,000	23,000
All other Income	20,000	5,500	7,660	10,740
Total Other Income	30,000	55,500	80,660	83,740
<b>Total Income</b>	<b>200,750</b>	<b>249,250</b>	<b>277,910</b>	<b>280,990</b>
Personnel Expenses	134,500	176,517	209,699	216,749
Operating Expenses	64,500	73,700	68,700	64,200
<b>Total Expenses</b>	<b>199,000</b>	<b>250,217</b>	<b>278,399</b>	<b>280,949</b>
<b>Net Income (Loss)</b>	<b>1,750</b>	<b>(967)</b>	<b>(489)</b>	<b>41</b>
<b>Number of Employees</b>	<b>3.5</b>	<b>4.5</b>	<b>5</b>	<b>5</b>

Notes:

Personnel expenses include salaries, health and retirement benefits, and payroll taxes.  
 Operating expenses include rent, phones, and professional services (accounting, legal, etc.).  
 The Land Trust began operations in fiscal year 99-00.

**ATTACHMENT B**

<b>Orange Community Housing and Land Trust</b>			
<b>Projected Operating Budgets</b>			
	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
Town of Chapel Hill	100,000	100,000	105,000
Orange County	90,000	90,000	95,000
Town of Carrboro	20,000	20,000	22,000
Town of Hillsborough	3,000	3,000	3,000
<b>Total Core Income</b>	<b>213,000</b>	<b>213,000</b>	<b>225,000</b>
EDI Grant	10,000	0	0
HOME funding	10,000	13,000	13,000
<b>Development Fees</b>	<b>50,000</b>	<b>60,000</b>	<b>60,000</b>
Land lease income	7,200	10,800	12,720
All other income	7,860	9,160	9,860
<b>Total Other Income</b>	<b>85,060</b>	<b>92,960</b>	<b>95,580</b>
<b>Operating Income</b>	<b>298,060</b>	<b>305,960</b>	<b>320,580</b>
Personnel Expenses	229,436	235,400	246,559
Operating Expenses	68,600	70,500	74,000
<b>Total Expenses</b>	<b>298,036</b>	<b>305,900</b>	<b>320,559</b>
<b>Net Income (Loss)</b>	<b>24</b>	<b>60</b>	<b>21</b>
<b>Number of Employees</b>	<b>5</b>	<b>5</b>	<b>5</b>

Notes:

**Staff salary increases in 03-04 and beyond are 3% annually.**

**Health insurance increases are projectd at 20% in 03-04 and 15% thereafter.**

**Sales and Marketing Manager's salary is augmented with bonuses from closings.**

**Revenues from local governments are subject to annual approval.**

**HOME funds are also subject to approval by the HOME consortium.**

**ATTACHMENT C**

<b>Orange Community Housing and Land Trust</b>					
<b>Preliminary 2003-2004 Budget</b>					
February-03		<b>Approved</b>	<b>Preliminary</b>	<b>Preliminary</b>	<b>Preliminary</b>
		<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2005-2006</b>
		<b>Budget</b>	<b>Budget</b>		
<b>INCOME</b>					
	Chapel Hill	90,000	100,000	100,000	105,000
	Orange County	86,750	90,000	90,000	95,000
	Carrboro	18,000	20,000	20,000	22,000
	Hillsborough	2,500	3,000	3,000	3,000
	<b>Total Core Funding</b>	<b>197,250</b>	<b>213,000</b>	<b>213,000</b>	<b>225,000</b>
<b>Other Income</b>					
	HOME funds (applied for)	0	10,000	13,000	13,000
	HUD Grant (1999)	23,000	10,000	0	0
	<b>Fee Income</b>	<b>50,000</b>	<b>50,000</b>	<b>60,000</b>	<b>60,000</b>
	Homebuyer Class Donations	1,500	1,500	1,500	1,500
	Miscellaneous Income	500	500	500	500
	Private donations	2,000	2,000	3,300	4,000
	Interest Income	1,200	1,200	1,200	1,200
	Member contributions	500	500	500	500
	Land lease income	2,880	7,200	10,800	12,720
	Abbey Court	2,160	2,160	2,160	2,160
	<b>Total Other Income</b>	<b>83,740</b>	<b>85,060</b>	<b>92,960</b>	<b>95,580</b>
	<b>TOTAL INCOME</b>	<b>280,990</b>	<b>298,060</b>	<b>305,960</b>	<b>320,580</b>
<b>EXPENSES</b>					
<b>Personnel Expenses</b>					
	Executive Director	51,820	51,820	53,375	54,976
	Office Manager	26,325	27,115	27,928	28,766
	Project Manager	34,606	35,644	36,714	37,815
	Sales & Marketing	30,000	30,000	30,000	32,000
	Land Trust Project Mgr	35,896	36,972	38,082	39,224
	Health insurance	17,634	20,621	23,714	27,271
	Retirement plan	8,197	9,078	9,305	9,639
	Payroll Taxes	16,748	15,886	16,284	16,868
	Discretionary staff bonuses	0	2,300	0	0
	<b>Subtotal Personnel</b>	<b>221,226</b>	<b>229,436</b>	<b>235,400</b>	<b>246,559</b>
		<b>Approved</b>	<b>Preliminary</b>	<b>Preliminary</b>	<b>Preliminary</b>
		<b>2002-2003</b>	<b>2003-2004</b>	<b>2004-2005</b>	<b>2004-2005</b>
<b>Operating Expenses</b>					

	Equipment/Furniture	1,200	1,200	1,200	1,200
	Insurance	4,000	4,500	5,000	5,000
	Marketing/ Advertising	1,800	2,000	2,000	2,000
	Memberships/Publications	1,000	1,000	1,200	1,300
	Office Rent	14,400	14,400	15,600	15,600
	Office Supplies	2,000	2,000	2,000	2,200
	Postage	1,000	1,000	1,000	1,500
	Printing	3,000	3,000	3,000	3,000
	Legal	3,000	3,000	3,000	3,000
	Accounting/ Audit	11,000	13,000	12,000	13,000
	Payroll Service	1,800	2,000	2,000	2,200
	Telephone	8,000	8,000	8,500	8,500
	Training	2,500	2,500	3,000	3,000
	Travel	2,500	2,500	2,500	2,500
	Meetings	500	500	500	500
	Board Expenses	2,000	2,500	2,500	3,000
	Membership events	0	1,000	1,000	1,500
	Miscellaneous	1,000	1,000	1,000	1,000
	Realtor Expenses	3,000	3,000	3,000	3,500
	Consulting Services	500	500	500	500
	<b>Subtotal Operating Expenses</b>	<b>64,200</b>	<b>68,600</b>	<b>70,500</b>	<b>74,000</b>
	<b>TOTAL ALL EXPENDITURES</b>	<b>285,426</b>	<b>298,036</b>	<b>305,900</b>	<b>320,559</b>
	<b>NET INCOME (LOSS)</b>	<b>-4,436</b>	<b>24</b>	<b>60</b>	<b>21</b>

Notes:

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