

# The Town of Hillsborough, North Carolina

## *A Report to Our Citizens*



**Vision:** *Our vision for Hillsborough is a prosperous Town, filled with vitality, fostering a strong sense of community, which celebrates and preserves its unique heritage and small-town character.*

**Mission:** *We are stewards of the public trust who exist to make the Vision for Hillsborough a reality. We manage and provide the infrastructure, resources and services that enhance the quality of life for the living beings and land within our Town.*

### Organizational Perspectives

**Customer** – Managers must know if the Town is meeting citizen needs. They must determine the answer to the question: Is the organization delivering the services the community wants?

**Internal Business** – Managers need to focus on those critical operations that enable them to satisfy citizens. Managers must answer the question: Can the organization improve upon a service by changing the way a service is delivered.

**Financial** – Managers must focus on how to meet service needs in an efficient manner. They must answer the question: Is the service delivered a good price?

**Learning & Growth** – An organization's ability to improve and meet citizen demands ties directly to the employees' ability to meet those demands. Managers must answer the question: Is the organization providing employees with the training, technology, and proper work environment to enable them to succeed and continuously improve?

### "Report Card" points to key accomplishments

The Town's system of linking the Board's top priorities, departmental actions, and performance measures to achieve the desired results is called the Balanced Scorecard. Strategy maps, scorecards, and budgetary information are blended together to better align the Town's time, money, and resources with its top priorities. In essence, this annual report is both a "report card" and "strategic learning tool" that should be used to assess how well the Town is doing in pursuing its key objectives. One of the main purposes of the report is to generate discussion, like a post-game analysis, to determine whether or not particular strategies being used to accomplish objectives and initiatives should be 1) changed, 2) abandoned, or 3) maintained (i.e., "stay the course"). The first opportunity to analyze results and discuss possible changes to current strategy will happen at the Town Board's October 25<sup>th</sup> workshop. At this meeting the Board will discuss results from the FY10 Annual Performance Report as well as the recent Citizen Survey.

The willingness to experiment by using new or innovative ideas is critical to continuously improving operations. At the same time a learning organization has to be able to identify both potential successes and failures early enough so decisions can be made to adjust accordingly to changing conditions. This is a major benefit of the scorecard – it provides a reality check, easily accommodates changes in direction, helps everyone make well informed decisions, and creates public accountability by sharing the results (whether they be good or bad) with the citizens, media, elected officials, and all Town employees.

In instances where it appears the Town is being successful, the board, staff, and public should still be willing to challenge the status quo and suggest strategies that may allow an even higher standard of service to be delivered. This is key to avoiding complacency. On the other side of the coin, just because an initiative missed its target does not necessarily mean a change in strategy is needed. As the old saying goes, "the devil is in the details." Hence, asking probing questions to gain an understanding of the many factors affecting outcomes v. the desired target can help clarify the performance picture and uncover a greater ability to assess what (if anything) should be done in response. It's also important to remember that departments often set "stretch targets" that are multi-year goals intended to help make a breakthrough by encouraging creative thinking, results-oriented problem solving, or escape the comfort zone of traditional thinking.

Please don't hesitate to contact me if you have any questions, suggestions, concerns, or ideas as it relates to this report. Most importantly, I look forward to listening and participating in the discussions of this report that will help us take the next steps in shaping Hillsborough's future.

Sincerely,

A handwritten signature in black ink that reads "Eric J. Peterson".

Eric Peterson  
Town Manager



## How the Town Operates

The Town of Hillsborough has used a Council-Manager form of government since 1989. Legislative and policy making authority rest with the Mayor and a five-member Board of Commissioners. The Mayor is elected every two (2) years. Each Commissioner serves a four-year term. Elections are non-partisan, staggered and held during odd-numbered years. The Board hires a Town Manager to carry out its policies, as well as to manage and direct the daily operation of the Town. The Town provides many services including police protection, street maintenance, and water and wastewater system operations.

## Town Characteristics

The Town of Hillsborough, Orange County and Research Triangle Park area continue to experience growth and are considered to be among the most desirable areas of the country to live and work according to several national surveys. The economy of the Town is diversified with manufacturing and a mix of wholesale and retail businesses as well as numerous service providers. Approximately 42% of Hillsborough's tax base is commercial in nature.

Orange County unemployment rate has been below the state and national rates over the past eleven years. This trend continued during the last year in which the County's unemployment rate as of June 2009 was 7.0% while the state and national rates were 11.2% and 9.7% respectively.

The Town is served by Interstate Highway 85 and Interstate Highway 40.

## Town of Hillsborough

	FY08 Actual	FY09 Actual	FY10 Actual	FY10 Target	Target Met or Exceeded
<b>Serve the Community</b>					
<b>Strengthen Citizen Involvement &amp; Access</b>					
"I feel informed about the Town and its services" - average rating of Citizen Survey respondents (1=strongly disagree, 10=strongly agree)	6.85	6.98	7.16	6.50	✓
% of neighborhoods with at least one appointee to the 4 standing	N/A	70%	78%	75%	✓
# of Neighborhood Watch programs	9	11	8	14	✗
<b>Expand Recreation, Walkability &amp; Connectivity</b>					
Acres of developed parkland per 1,000 population	N/A	N/A	86.4	4.5	✓
Total linear feet of sidewalk replaced	283	0	195	300	✗
Total linear feet of new sidewalk	2,046	2,447	0	N/A	✗
<b>Preserve Cultural &amp; Natural Resources</b>					
% of Town fleet that are alternative vehicles	29%	29%	31%	32%	✗
<b>Reduce Crime &amp; Increase Citizen Safety</b>					
Part I crimes per 1,000 population	100.6	89.6	80.7	103	✓
Part II crimes per 1,000 population	182.9	184.8	164.3	199	✓
<b>Improve Satisfaction with Services</b>					
"The Town is responsive to the needs of citizens" - average rating of Citizen Survey respondents (1=strongly disagree, 10=strongly agree)	6.77	7.07	7.05	7.10	✗
"Hillsborough is a safe place to live and work" - average rating of Citizen Survey respondents (1=strongly disagree, 10=strongly agree)	7.98	8.17	8.28	8.20	✓
<b>Enhance Community Sustainability</b>					
Town tax bill as % of median household income	N/A	N/A	2.16%	N/A	✓
% of projects requiring Town Board review to incorporate "green" building standards	N/A	25%	100%	25%	✓
<b>Run the Operations</b>					
<b>Provide Responsive &amp; Consistent Services</b>					
% of utility customers with interrupted service reconnected on the same day as payment	99%	99%	100%	100%	✓
% of garbage routes completed on schedule	100%	100%	100%	100%	✓
% of utilities work orders completed within 48 hours	100%	100%	100%	90%	✓
# of State issued "Notices of Violation" - Water Services	1	0	0	0	✓
# of State issued "Notices of Violation" - Wastewater Services	0	1	2	0	✗
Sewer back-ups as a % of sewer accounts (per calendar year)	N/A	N/A	0.05%	0.05%	✓
<b>Manage Resources</b>					
<b>Maintain Fiscal Strength</b>					
"I feel that the Town spends my tax dollars wisely" - average rating of Citizen Survey respondents (1=strongly disagree, 10=strongly agree)	6.46	6.44	6.33	6.50	✗
Bond Rating: Standard & Poors	A	A	A	A	✓
Moody's Investor Services	A2	A2	A2	A2	✓
<b>Invest in Infrastructure</b>					
% of streets rated in good or better condition	71%	73%	73%	75%	✗
% of poor condition sidewalk replaced	N/A	0%	16%	25%	✗
# of water line breaks and leaks per mile of pipe	N/A	N/A	0.83	0.83	✓
<b>Deliver Efficient Services</b>					
# of workers compensation claims per 100 FTE	2.14	3.00	8.69	<3.00	✗
Work days lost due to work related injuries or illness per 100 FTE	42.70	7.48	8.69	<42.00	✓
Per capita expense for police protection	\$416.50	\$404.72	\$364.38	\$383.67	✓
Cost per residential refuse collection point	\$147	\$132	\$135	<\$150	✓
Water bills as % of median household income (MHI)	1.01%	1.08%	0.93%	<1%	✓
Sewer bills as % of median household income (MHI)	1.06%	1.13%	0.97%	<1%	✓
<b>Develop Personnel</b>					
<b>Support Training, Learning &amp; Growth</b>					
% of officers trained in Introduction to Community Policing	13.8%	25.5%	55.5%	100.0%	✗
% of Town employees that have completed NIMS training	90%	93%	97%	100%	✗



### FY10 Accomplishments / Key Initiatives

- No property tax or water and sewer rate increase.
- Started construction on 1.2 mile Nash Street sidewalk project.
- Received \$392,000 grant funding from PARF for Riverwalk land acquisition.
- Merged the Community Policing Division with the Patrol Division to strengthen the community policing philosophy.
- Redesigned and launched new Town website.
- Completed first year of Innovations and Customer Service awards program.
- Adopted the Wayfinding Sign Plan, secured funding assistance from Orange County, and applied for grant funding for full implementation.

### Revenues by Source

	FY08	FY09	FY10
Ad Valorem Taxes	\$ 3,843,373	\$ 4,317,508	\$ 4,535,000
Sales Taxes	\$ 1,134,193	\$ 1,078,198	\$ 1,042,000
Licenses / Permits / Fees	\$ 257,201	\$ 226,276	\$ 196,700
Intergovernmental Revenue	\$ 909,179	\$ 932,790	\$ 767,518
Fund Balance Appropriation	\$ -	\$ -	\$ 345,250
Other	\$ 341,339	\$ 124,639	\$ 227,900
<b>Total primary governmental revenues</b>	<b>\$ 6,485,285</b>	<b>\$ 6,679,410</b>	<b>\$ 7,114,368</b>

### Revenues by Source

Other 3%

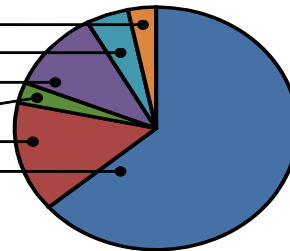
Fund Balance Appropriation 0%

Intergovernmental Revenue 13%

Licenses / Permits / Fees 3%

Sales Taxes 16%

Ad Valorem Taxes 65%



### Expenditures by Service Area

	FY08	FY09	FY10
Public Safety	\$ 3,289,718	\$ 3,382,015	\$ 3,197,659
General Government	\$ 1,161,341	\$ 1,491,393	\$ 1,644,043
Public Works	\$ 1,384,590	\$ 1,114,568	\$ 1,911,373
Economic & Physical Development	\$ 217,650	\$ 237,289	\$ 225,000
Special Appropriations	\$ 227,720	\$ 137,824	\$ 136,294
Contingency	\$ -	\$ -	\$ -
<b>Total primary governmental expenditures</b>	<b>\$ 6,281,019</b>	<b>\$ 6,363,089</b>	<b>\$ 7,114,368</b>

### Expenditures by Service Area

Contingency 0%

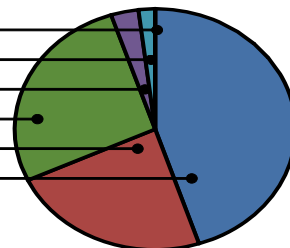
Special Appropriations 2%

Economic & Physical Development 3%

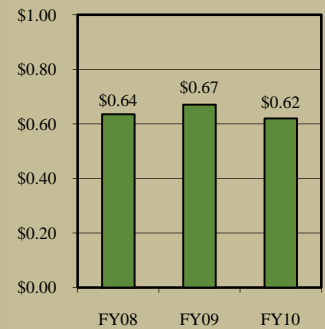
Public Works 27%

General Government 23%

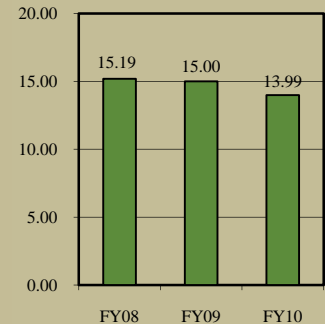
Public Safety 45%



### Tax Rate



### # of Town Employees per 1,000 Population



For additional information call or email:

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*Note: Results are not audited for accuracy.*

For more information, visit

<http://www.ci.hillsborough.nc.us/content/town-budget>