

AFFORDABLE HOUSING FUNDING PROGRAM BUDGET SUMMARY

The Affordable Housing Funding Program is dedicated exclusively to the development and preservation of affordable housing. During FY25-26, this Fund was dissolved and merged with the multi-year Affordable Housing Fund, which continues to receive an annual funding allocation.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Land Acquisitions	\$ 175,000	\$ -	\$ -	\$ -	\$ -	N/A
Rental Subsidies	41,612	-	-	-	-	N/A
Future Development	5,539	-	-	-	-	N/A
Contributions	671,526	-	-	-	-	N/A
Reserve	-	722,003	-	-	-	-100.0%
Transfer to Aff Hsing Fund	-	-	1,952,820	1,952,820	-	N/A
Total	\$ 893,677	\$ 722,003	\$ 1,952,820	\$ 1,952,820	\$ -	-100.0%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Transfer from General Fund	\$ 722,003	\$ 722,003	\$ -	\$ -	\$ -	-100.0%
Appropriated Fund Balance	171,674	-	1,952,820	1,952,820	-	N/A
Total	\$ 893,677	\$ 722,003	\$ 1,952,820	\$ 1,952,820	\$ -	-100.0%

CLIMATE ACTION FUND BUDGET SUMMARY

The Climate Action Fund was established in FY22 to dedicate funding for climate change. The recommended budget for the Climate Action Fund increased 1.4% compared to the 2025-26 budget. The 6.2% increase in personnel costs reflects a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and turnover. Operating costs decreased by 25.8% due to the completion of the 5-year Climate Action Plan and to transfer funds to the Vehicle Replacement Fund for the purchase of hybrid and electric vehicles for the Town's fleet. Capital costs increased to allocate budget toward fleet and public EV charging station installations.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 393,110	\$ 426,588	\$ 426,588	\$ 336,317	\$ 452,876	6.2%
Operating Costs	345,365	377,671	804,157	804,157	280,051	-25.8%
Capital	287,272	-	136,235	136,235	42,944	N/A
Transfer to Vehicle Replacement Fund	129,200	-	75,000	75,000	40,000	N/A
Total	\$ 1,154,947	\$ 804,259	\$ 1,441,980	\$ 1,351,709	\$ 815,871	1.4%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Transfer from General Fund	\$ 804,259	\$ 804,259	\$ 804,259	\$ 804,259	\$ 804,259	0.0%
Grants	33,125	-	464,604	465,439	-	0.0%
Appropriated Fund Balance	317,563	-	173,117	82,011	11,612	0.0%
Total	\$ 1,154,947	\$ 804,259	\$ 1,441,980	\$ 1,351,709	\$ 815,871	1.4%

GRANTS FUND

BUDGET SUMMARY

The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. Grants for 2026-27 had not been awarded at the time of this submission.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Police Grants	\$ 513,236	\$ -	\$ 764,884	\$ 764,884	\$ -	N/A
Fire Grants	67,310	-	38,825	38,825	-	N/A
Planning Grants	751,478	513,614	953,298	798,298	-	-100.0%
H&CD Grants	134,069	-	11,040	11,040	-	N/A
Technology Grants	56,876	-	130,902	130,902	-	N/A
Total	\$ 1,522,969	\$ 513,614	\$ 1,898,949	\$ 1,743,949	\$ -	-100.0%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Grants	\$ 1,322,290	\$ 403,415	\$ 1,521,695	\$ 1,397,695	\$ -	-100.0%
Transfer from General Fund	85,022	83,703	88,524	88,524	-	-100.0%
Transfer from Capital Imp. Fund	26,802	26,496	57,496	26,496	-	-100.0%
Appropriated Fund Balance	88,855	-	231,234	231,234	-	N/A
Total	\$ 1,522,969	\$ 513,614	\$ 1,898,949	\$ 1,743,949	\$ -	-100.0%

DOWNTOWN SERVICE DISTRICT FUND

Major Revenue Sources – Descriptions and Estimates

The revenue source for the Downtown Service District is the special district property tax on the assessed value of \$762,700,000. The tax rate of 5.5 cents represents the revenue neutral rate based on the 2025 Orange County revaluation and is expected to yield a total of about \$426,000 in FY 2026-27. This represents an increase of \$7,000 from current year estimates, due to the increase in valuation of property in the downtown area.

Adjustments to the Downtown Service District border were last made for the 2006-07 fiscal year to account for changes in business status between commercial and residential uses.

Major Expenditures and Estimates

The FY 2026-27 Recommended Budget captures the restructuring of the Downtown Service District Fund to better align the fund's expenditures with current needs. Funding in FY27 will continue to support personnel and the Chapel Hill Downtown Partnership, as well as new allocations for marketing and promotion of the downtown area and a new police substation to better serve downtown. Expenses related to 140 West and the Launch incubator have been moved to the General Fund.

The budget provides funding for the Chapel Hill Downtown Partnership (CHDP) in the amount of \$220,000. CHDP brings the resources of the Town, University, and downtown community together to maintain, enhance, and promote downtown as the social, cultural, and spiritual center of Chapel Hill through economic development.

Additional expenses include marketing (\$117,660) and space rental for the new PD substation (\$15,000). The FY27 budget continues funding for a groundskeeper (\$74,340) dedicated to the downtown area.

DOWNTOWN SERVICE DISTRICT FUND BUDGET SUMMARY

The recommended Downtown Service District Fund tax rate of 5.5 cents for 2026-27 provides for continued funding of the groundskeeper position dedicated to the downtown area. The recommended budget includes expenses related to the Chapel Hill Downtown Partnership, downtown-related marketing and promotion, and space rental for the police substation. Starting in FY27, the Downtown fund no longer covers 140 West or Launch expenses, which will be paid out of the General Fund.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 69,240	\$ 70,522	\$ 70,522	\$ 73,805	\$ 74,340	5.4%
Space Rental	-	-	15,000	15,000	15,000	N/A
CH DT Partnership	250,000	150,000	150,000	150,000	220,000	46.7%
140 West Expenses	109,904	110,000	95,000	95,000	-	-100.0%
Launch	110,250	73,500	73,500	73,500	-	-100.0%
Lot 2 Pilot	-	100,000	100,000	100,000	-	-100.0%
Marketing	-	-	-	-	117,660	N/A
Reserve	-	15,978	375,978	372,695	-	-100.0%
Total	\$ 539,394	\$ 520,000	\$ 880,000	\$ 880,000	\$ 427,000	-17.9%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Property Taxes	\$ 374,606	\$ 419,000	\$ 419,000	\$ 419,000	\$ 426,000	1.7%
Interest Income	4,916	-	-	-	-	N/A
Orange County Launch Contribution	36,750	-	-	-	-	N/A
Interest on Receivable	656	1,000	1,000	1,000	1,000	0.0%
Transfer from General Fund	100,000	100,000	460,000	460,000	-	-100.0%
Appropriated Fund Balance	22,466	-	-	-	-	N/A
Total	\$ 539,394	\$ 520,000	\$ 880,000	\$ 880,000	\$ 427,000	-17.9%

LIBRARY GIFT FUND
BUDGET SUMMARY

The recommended budget for the Library Gift Fund for 2026-27 decreased compared to the previous year. 2026-27 expenses include additions to the collection, software costs, and other miscellaneous expenses, such as contracted services and supplies. The Library Gift Fund budgets a transfer to the General Fund to support Library operations at an amount of \$45,000 for 2026-27.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Computers/Database	\$ 93,233	\$ 8,225	\$ (3,418)	\$ 22,069	\$ 5,081	-38.2%
Furniture	-	23,308	69,393	-	-	-100.0%
Collection Purchases	49,205	39,000	47,792	46,792	40,000	2.6%
Other	140,368	81,500	230,758	215,042	79,919	-1.9%
Transfer to General Fund	45,000	45,000	45,000	45,000	45,000	0.0%
Contribution to Reserve	-	23,781	10,434	13,906	18,781	-21.0%
Total	\$ 327,806	\$ 220,814	\$ 399,959	\$ 342,809	\$ 188,781	-14.5%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Interest Income	\$ 7,772	\$ 1,406	\$ 1,406	\$ 4,214	\$ 1,406	0.0%
Friends' Donations	134,875	134,875	143,424	144,475	134,875	0.0%
Grants	46,702	-	87,887	91,834	-	N/A
Misc Donations	66,803	57,500	102,879	64,445	52,500	-8.7%
Appropriated Fund Balance	71,654	27,033	64,363	37,841	-	-100.0%
Total	\$ 327,806	\$ 220,814	\$ 399,959	\$ 342,809	\$ 188,781	-14.5%

VEHICLE REPLACEMENT FUND BUDGET SUMMARY

The recommended budget for 2026-27 for the Vehicle Replacement Fund includes a list of the most critical capital equipment needs pending a comprehensive review of the Town's fixed assets. Included in the 2026-27 recommended budget is the replacement of one rear loader and one truck in Solid Waste; ten Police vehicles; two dump trucks and a tractor for Parks Maintenance; two dump trucks in the Streets Division of Public Works; one SUV in the Construction division; three SUVs in Building & Development Services; and one truck and one SUV for Parks & Rec Admin. The Vehicle Replacement Fund is a pay-as-you-go system. Since 2014-15, vehicle purchases are bought outright rather than financed.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Capital Equipment	2,185,619	1,810,000	2,286,788	2,286,788	2,046,800	13.1%
Total	\$ 2,185,619	\$ 1,810,000	\$ 2,286,788	\$ 2,286,788	\$ 2,046,800	13.1%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Vehicle Use Fees	\$ 1,605,000	\$ 1,810,000	\$ 1,810,000	\$ 1,810,000	\$ 2,006,800	10.9%
Interest Income	5,659	-	-	8,000	-	N/A
Sale of Fixed Assets	69,569	-	-	140,266	-	N/A
Transfer from Climate Action Fund	129,200	-	75,000	75,000	40,000	N/A
Appropriated Fund Balance	376,191	-	401,788	253,522	-	N/A
Total	\$ 2,185,619	\$ 1,810,000	\$ 2,286,788	\$ 2,286,788	\$ 2,046,800	13.1%

FLEET MANAGEMENT FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25	2025-26	2026-27
	ADOPTED	ADOPTED	RECOMMENDED
Fleet Manager	1.00	1.00	1.00
Fleet Technician Supervisor	1.00	1.00	1.00
Fleet Technician (Levels I-III)	5.00	5.00	6.00
Fleet Systems Technician ¹	0.75	0.75	0.75
Division Totals	<u>7.75</u>	<u>7.75</u>	<u>8.75</u>

¹ Position is split between Facilities Management division of Public Works and the Fleet Management fund.

Note: Fleet Management is supervised by the Public Works Department.

FLEET MANAGEMENT FUND
BUDGET SUMMARY

The 2026-27 recommended budget for the Fleet Management Fund reflects an overall increase in expenditures of 4.6% from last year's budget. The 15.2% increase in personnel is the result of a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and an added Fleet Technician position. The operating budget decrease of 3.1% is due to reduced vehicle maintenance costs.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 850,906	\$ 923,889	\$ 923,889	\$ 926,036	\$ 1,064,431	15.2%
Operating Costs	1,341,580	1,291,863	1,291,863	1,286,492	1,252,196	-3.1%
Capital Outlay	16,984	-	-	-	-	N/A
Total	\$ 2,209,470	\$ 2,215,752	\$ 2,215,752	\$ 2,212,528	\$ 2,316,627	4.6%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Vehicle Maintenance Fees	\$ 2,060,922	\$ 2,215,752	\$ 2,215,752	\$ 2,201,800	\$ 2,272,661	2.6%
Interest Income	2,267	-	-	1,500	-	N/A
Insurance Claims	19,022	-	-	9,228	-	N/A
Appropriated Fund Balance	127,259	-	-	-	43,966	N/A
Total	\$ 2,209,470	\$ 2,215,752	\$ 2,215,752	\$ 2,212,528	\$ 2,316,627	4.6%

COMPUTER REPLACEMENT FUND
BUDGET SUMMARY

The recommended budget for 2026-27 provides for replacement of computer equipment on a pay-as-you-go basis.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Small Equipment	\$ 108,809	\$ 139,876	\$ 139,876	\$ 139,876	\$ 151,120	8.0%
Total	\$ 108,809	\$ 139,876	\$ 139,876	\$ 139,876	\$ 151,120	8.0%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Computer Use Fees	\$ 79,118	\$ 139,876	\$ 139,876	\$ 139,876	\$ 151,120	8.0%
Interest Income	6,015	-	-	-	-	N/A
Appropriated Fund Balance	23,676	-	-	-	-	N/A
Total	\$ 108,809	\$ 139,876	\$ 139,876	\$ 139,876	\$ 151,120	8.0%