



TOWN OF
**CHAPEL
HILL**

Manager's Recommended Budget

FY 2026-2027



Chapel Hill Town Council

2026-2027



Top Row: Council Members Wes McMahon, Elizabeth Sharpe, Melissa McCullough, and Louie Rivers III.

Bottom Row: Council Members Paris Miller-Foushee and Amy Ryan, Mayor Jessica Anderson, Mayor Pro Tem Camille Berry, and Council Member Theodore Nollert.

Town Manager Theodore L. Voorhees	Finance Officer Amy Oland
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MANAGER'S OFFICE
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Letter of Transmittal

To the Honorable Mayor and
Members of Town Council
Town of Chapel Hill, North Carolina

Greetings:

I present to you the Town of Chapel Hill, North Carolina Annual Budget for Fiscal Year 2026-27. The budget includes no property tax increase.

The Recommended Budget for 2026-27 recognizes Council's most important goals and invests in strategic initiatives to achieve those objectives, even during these challenging and unprecedented times. We look forward to working with Council to continue offering the core services our residents expect.

This Recommended Budget document includes the fund summaries that utilize the governmental budget practices recommended by the Government Finance Officers Association of the United States and Canada.

Respectfully submitted,

Theodore L. Voorhees, ICMA-CM
Town Manager

May 6, 2026



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May 6, 2026

Mayor Anderson and Members of the Chapel Hill Town Council:

Tonight, I am pleased to present the FY 2026-2027 recommended budget for the Town of Chapel Hill. This year's budget is the next step in aligning our financial plan with the newly established Council goals and strategic priorities, maintaining a focus on long-term fiscal stability, and delivering high quality services for our community.

The total FY 2027 recommended budget is \$169.7 million, representing a 3.4% increase over the prior year. The General Fund accounts for roughly \$99.8 million. Importantly, no property tax rate increase is recommended, maintaining the rate of 50.0 cents per \$100 of assessed valuation.

COUNCIL GOALS AND STRATEGIC PRIORITIES

The Council's four strategic priority areas shaped the FY 2027 budget.

1. **Complete Community** – Framework to advance thoughtful growth, more connected neighborhoods, and implementation of key mobility and land use plans. This includes progressing the Land Use Management Ordinance (LUMO) update and moving forward elements of the Everywhere to Everywhere (E2E) plan.
2. **Environmental Resiliency** – Strengthening the Town's ability to prepare for and withstand climate and infrastructure stresses by implementing the stormwater plan, expanding sustainable facility strategies (solar storage, EV charging), and continuing early flood warning sensor deployment.
3. **Housing** – Expanding a diverse, attainable, and sustainable housing supply through continued implementation of the Affordable Housing Strategy and Investment Plan, development of a Public Housing Repositioning Plan, and homelessness response in partnership with the towns, Orange County, and the University.

4. **Organizational & Fiscal Sustainability** – Ensuring the long-term health of the organization by aligning staffing and equipment needs with capacity, using data to review services, and applying the five-year budget outlook to guide strategic investments.

These goals connect our strategic work and our financial plan. This year’s recommended budget intentionally invests in each priority area.

HOW WE BUILT THE FY 2027 BUDGET

We grounded our approach in four commitments:

- Supporting our employees with competitive compensation and sustainable benefits.
- Funding and strengthening our core municipal services.
- Advancing Council’s strategic goals.
- Progressing toward fiscal sustainability, guided by the five-year budget outlook.

The first step each year in developing the base budget is to project estimated revenue data. We collect data from Orange and Durham County, consult current economic indicators, and reach out to our departments who estimate their fees for the upcoming year. Each December, we ask departments to submit their base budgets, which are roughly equal to the current year budget with some flexibility to move money between operating lines but one that requires departments to absorb cost increases. In February, departments submit requests for budget additions that represent cost of doing business increases or new programs. In March, departments present their budgets to the Manager. They share their goals and priorities, key budget issues for the coming year, and their top three budget additions. The Manager’s Office reviews this information along with Business Management to prioritize needs, allocate resources, validate alignment with Council priorities, and ultimately develop the Manager’s Recommended Budget.

Specific context for key aspects of this year’s budget is discussed below.

REVENUES

Last year, Orange County estimated that approximately 5% of assessed value following the revaluation would be lost through appeals. Fewer people than estimated appealed their assessed value. Updated data shows valuations and the resulting property tax revenues will exceed earlier estimates. For FY 2027, we anticipate receiving \$3.5 million in the General Fund over the County’s original estimates and \$1 million combined in the Debt Service Fund and Transit Fund, over the County’s original estimates. The combined \$4.5 million is a 6.9% increase in estimated property tax revenue.

Despite market volatility and recent conflict in the Middle East, sales tax revenues, which are influenced by economic activity, continue to trend upward. Current year collections grew about 5% and we project a 3% increase over the current year in FY 2027.

These improved revenue projections position us to make targeted investments in FY2027, advancing our priorities and supporting the Town’s long-term fiscal sustainability.

FIVE YEAR BUDGET OUTLOOK

The Town has used a five-year outlook to inform tax rate decisions since FY 2024. Increasing the rate has addressed some core needs, including Affordable Housing, Parks and Recreation, Transit, Everywhere to Everywhere, and the rising cost of doing business, which has been unusually high in recent years.

The FY 2027 budget continues to move us along the five-year path to fiscal sustainability, addressing structural issues that have challenged the Town for many years. The outlook identifies sustainable funding targets in **staffing, operations, facilities and streets, fleet, and fire capital**. While the Town still faces significant gaps, particularly in capital needs, the FY 2027 proposed allocations represent meaningful steps forward.

STAFFING

Our employees are our most important assets because they carry out the operations of the Town and deliver our services.

We face known challenges, especially employee burnout and exhaustion, a competitive job market, inflation, and the high cost of living in Chapel Hill. A stable workforce helps us lower costs by reducing overtime and minimizing the need to train new hires when experienced employees leave. We are committed to delivering high-quality services with a strong, capable team, and to maintaining a supportive workplace for the employees who serve our community every day. Included in the FY 2027 recommended budget:

- 4% of market pay adjustment. This pay adjustment will be a percentage of market pay rather than base pay, to move below-market employees more quickly to the market rate for their jobs.
- 4% pay increase for the Mayor and each Council member.
- 0.75% mandatory increase to the employer share of the retirement system contribution.
- 10% anticipated increase in the cost of employee medical insurance.
- To ensure we have staff capacity aligned with service demands, we recommend adding three new positions:
 - Fleet Technician,
 - Library Associate,
 - Destination Coordinator (repurposed Visitors Bureau funding to bring this function in-house)

Although our departments have requested additional new positions, in this budget we prioritized our existing employees, competitive wages, and the tools and equipment to support them. We continue to evaluate each vacancy before recommending future additions.

OPERATIONS

In any given year, we face the challenge of addressing the average 3-5% increases to "the cost of doing business." This includes everything from increased contract costs for cleaning and landscaping, for software licenses, and the numerous services provided by outside vendors. In recent years departments have absorbed these costs into their budgets; however, with continued, historic levels of inflation, this is no longer sustainable.

To address the rising cost of doing business, the recommended budget includes a \$544,375 allocation to address some of the increases (maintenance, insurance, day-to-day operations), to expand a few critical services that create operating efficiencies (technology), and advance Council's goals (long-range planning capacity). These activities directly support the Council's strategic priority areas.

FACILITIES and STREETS

Just as our community expects high quality services, they also expect well-maintained, high-quality buildings, facilities, and streets. We continue to address a substantial backlog of deferred maintenance, and the rising costs of labor and materials make facility repairs and upkeep more expensive. The five-year outlook anticipates continued investments to reach a sustainable funding level by 2030.

With this budget, we have increased the allocation for deferred maintenance by \$250,000. This will fund projects such as the Public Works HVAC design, Community Center fiberglass roof over the pool deck, Fire Station 5 roof design and replacement, small parks repairs, and other small facility improvement projects.

We have also increased the allocation for street resurfacing by \$250,000 which will patch, mill, and resurface an additional 2-3 streets (total of ~2.7 lane miles) and will bring our resurfacing cycle from 48 years to 40 years. If we continue with the 5-year outlook funding plan, we will be at 24 years by 2031.

FLEET

To get our business done, we need a fleet of vehicles across departments and divisions – and as stewards of public dollars, we need to keep that fleet well-maintained. We have aging vehicles, and our maintenance costs have increased with inflation. In addition, we are committed to electrifying our fleet, which takes additional resources.

Our existing allocation will replace 17 vehicles. With the proposed increase of \$250,000, we will replace an additional 6 vehicles.

FIRE CAPITAL

The Town has been addressing a significant backlog in fire capital needs, where essential equipment, facility designs, fleet replacements, and safety investments far exceed current annual funding levels. Increasing the annual capital allocation from \$500,000 to \$1 million will go a long way towards addressing several critical needs, including design costs for Fire Stations 3 and 4, water rescue equipment, an all-terrain vehicle, rescue tools, and portable radios.

AFFORDABLE HOUSING

The FY 2027 recommended budget assigns nearly 3 pennies of the tax rate for affordable housing initiatives, continuing the Council’s previous direction. The Affordable Housing Funding Program, which aims to create and preserve housing for low- and moderate-income households, includes a local funding allocation, federal funds, the Affordable Housing Loan Fund, and Affordable Housing Bond funds, all of which move us closer to securing resources to meet our funding goal to implement the Town’s Affordable Housing Plan and Investment Strategy to expand and preserve affordable housing.

ENTERPRISE FUNDS

The Transit budget is down by 1.5%, primarily due to decreased interest income resulting from lower interest rates, reduced service-related revenue following our discontinuation of contract operation of GoTriangle’s Route 420, and declines in federal operating grant funding.

The Parking Fund budget is down by 1%, which represents the budget right-sizing of on-street and off-street parking revenues. This budget is balanced with an almost \$2 million transfer from the Debt Service Fund to help offset the debt service on the 2021 and 2024 limited obligations bonds (LOBS) issuances for the construction of the East Rosemary Parking Deck. We are proceeding with a parking study this summer that will evaluate current utilization across decks, lots, and on-street parking, assess parking rate structures, and offer recommendations to improve the long-term sustainability of the fund.

The Public Housing budget is up 4.7% and is supported primarily by HUD contributions and tenant rental revenues, with a small fund balance appropriation to cover rising operating costs.

The Stormwater budget is up 23.4% primarily due to our recommended stormwater fee increase of \$8.79 per ERU (equivalent rate unit of impervious surface) which is needed to complete the mandatory stormwater system inventory mapping for the current National Pollutant Discharge Elimination System (NPDES) permit cycle, addressing critical stormwater infrastructure planning, and implementation needs.

LOOKING AHEAD

Looking to the future, we remain focused on:

- Realigning staff and adding functionality to build in-house capacity to deliver more construction project management capacity.
- Identifying and evaluating creative construction delivery methods, including developing in-house capacity to complete additional greenway segments.
- Proceeding with the Public Housing Repositioning Plan to determine next steps for long-term sustainability in our housing portfolio.
- Advancing the North-South Bus Rapid Transit corridor to strengthen mobility and catalyze new housing and business opportunities along our busiest transit corridor.
- Building on our ongoing climate action work by continuing investments in sustainable facilities, fleet electrification, and stormwater and resiliency infrastructure.
- Monitoring the ongoing federal funding uncertainty and being prepared to respond quickly, including holding vacant federally funded positions, identifying fund balance for emergencies, and reallocating or locally funding key grant-dependent roles to ensure continuity of services.
- Continuously evaluating our operations for efficiency, possible reductions, and changes in service delivery methods that will generate cost savings to ensure we remain good stewards of the public's resources.

As we continue through the FY 2027 budget process, we look forward to your feedback. This recommended budget strengthens our financial foundation, advances your community priorities, and ensures that Chapel Hill remains a resilient, well-run, and forward-looking organization.

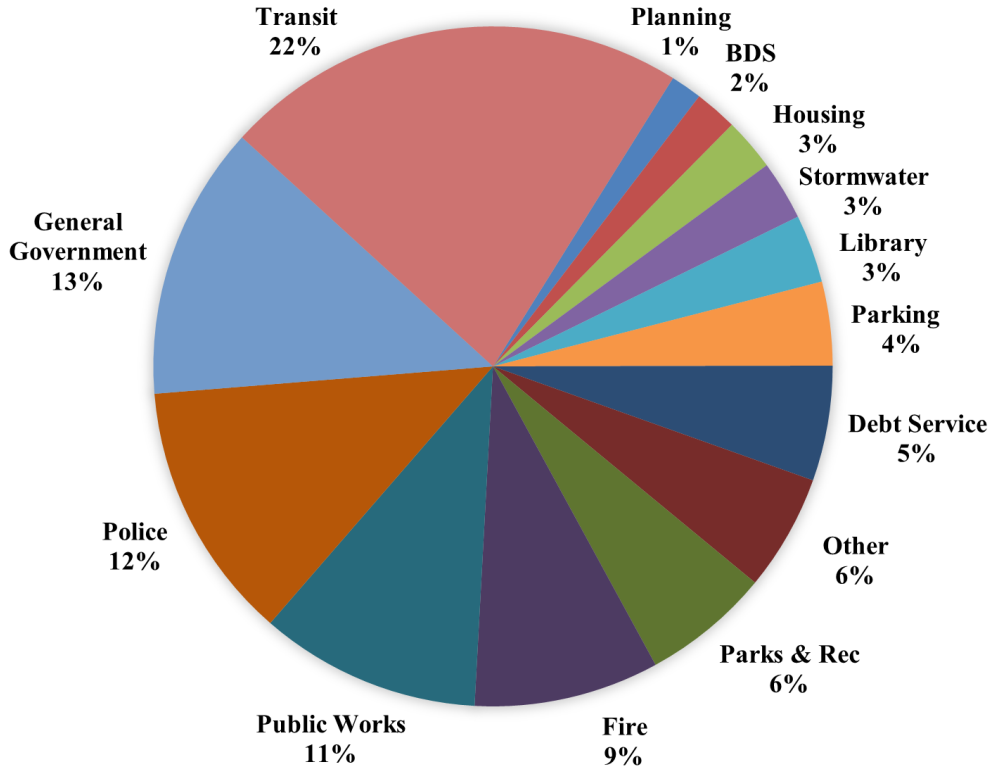
Sincerely,



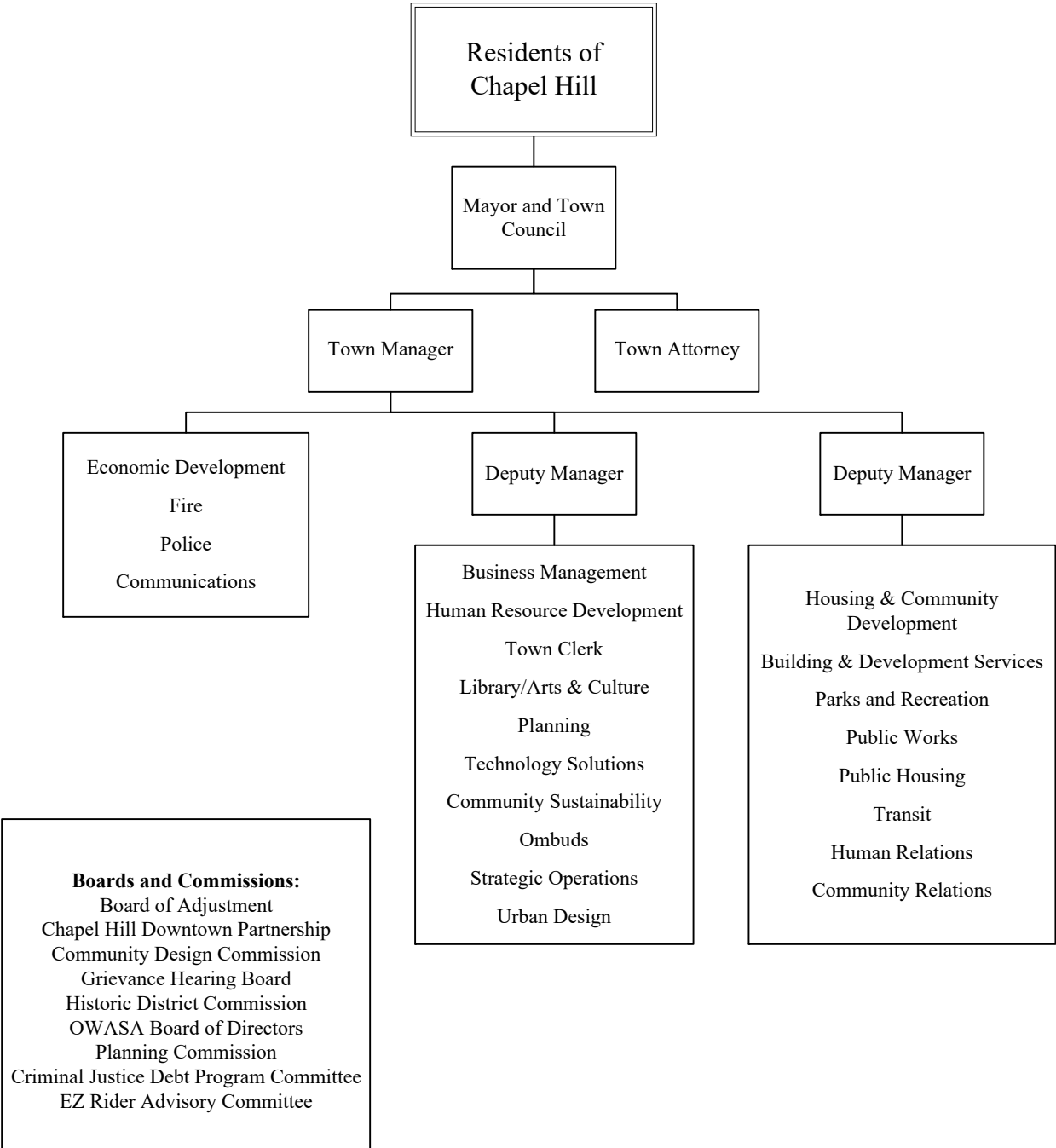
Theodore L. Voorhees, ICMA-CM
Town Manager, Chapel Hill NC

ALL FUNDS SUMMARY

**TOTAL BUDGET EXPENDITURES \$162,468,731
(NET OF TRANSFERS)**



TOWN OF CHAPEL HILL ORGANIZATION CHART



***ALL FUNDS
SUMMARY OF APPROPRIATIONS
Recommended Budget 2026-27***

Fund	Appropriations	Less Transfers to Other Funds	Net Appropriations
General Fund	\$ 99,760,000	\$ 5,180,713	\$ 94,579,287
Transit Funds			
Transit	35,946,146	-	35,946,146
Stormwater Management Fund	4,583,000	-	4,583,000
Parking Fund	6,468,125	-	6,468,125
Housing Funds			
Public Housing Fund	3,016,363	-	3,016,363
Debt Service Fund	10,852,979	1,957,868	8,895,111
Capital Projects			
Capital Improvements Fund	3,145,996	26,496	3,119,500
Other Funds			
Climate Action Fund	815,871	40,000	775,871
Grants Fund	-	-	-
Downtown Service District Fund	427,000	-	427,000
Library Gift Fund	188,781	45,000	143,781
Vehicle Replacement Fund	2,046,800	-	2,046,800
Fleet Management Fund	2,316,627	-	2,316,627
Computer Replacement Fund	151,120	-	151,120
TOTAL	\$ 169,718,808	\$ 7,250,077	\$ 162,468,731

ALL FUNDS STAFFING SUMMARY

Personnel costs make up 61% of the Town's operating budget across all funds. Personnel costs in the General Fund make up 71% of total expenditures. The Staffing Summary represents a snapshot of the FTE's on which the FY27 Recommended Budget is based.

2026-27 STAFFING BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<i>DEPARTMENTS</i>	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Mayor	1.00	1.00	1.00
Manager ¹	26.00	30.00	29.00
Clerk's Office ²	4.50	-	-
Human Resource Development ¹	8.00	8.00	10.00
Business Management	18.00	19.00	19.00
Technology Solutions	16.00	16.00	16.00
Attorney	3.00	3.00	3.00
Planning ³	18.30	18.30	18.30
Public Works ³	91.20	92.20	92.20
Housing and Community Development ⁴	9.80	8.80	7.40
Building & Development Services	20.50	20.50	20.50
Police ¹	121.00	123.00	125.00
Fire	97.00	97.00	97.00
Parks & Recreation	54.80	54.80	54.80
Library	34.53	34.53	35.50
Transit	211.66	212.66	212.66
Stormwater ³	15.55	16.55	16.55
Parking	9.75	9.00	9.00
Public Housing ⁴	16.40	16.40	15.80
Downtown Service District	1.00	1.00	1.00
Fleet Management	7.75	7.75	8.75
Total FTE's	785.74	789.49	792.46

¹ As of FY26-27, two employees in Risk Management and two in Emergency Preparedness have been moved out of the Manager's Office and into HRD and PD, respectively.

² This department has been absorbed into the Manager's Office.

³ One employee in Planning and three employees in Public Works also work in Stormwater. They have been split-coded to reflect time spent in each department.

⁴ Three employees are split-coded between the H&CD department and the Public Housing Fund.

TAX RATES AND TAX COLLECTIONS

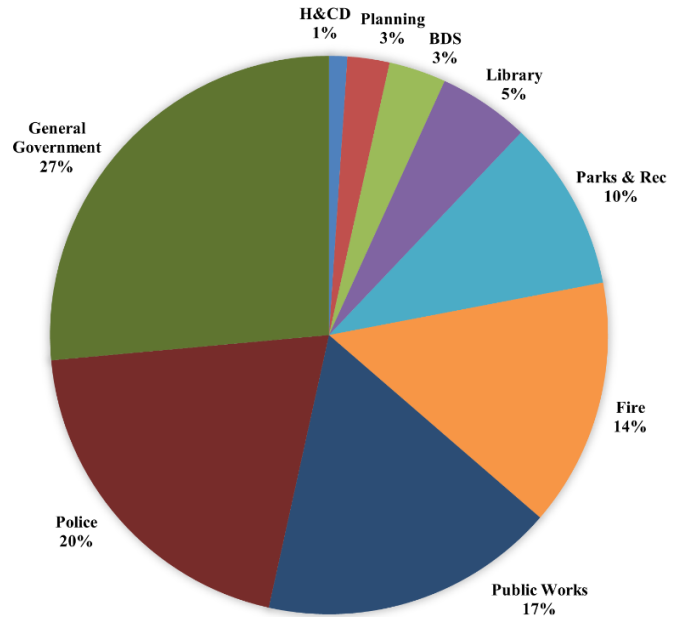
Recommended 2026-27

	2024-25 Actual	2025-26 Budget	2025-26 Estimated	2026-27 Recommended
Assessed Value of Real and Personal Property	\$ 9,854,210,642	\$ 13,250,450,000	\$ 14,033,000,000	\$ 14,174,340,000
Tax Rate Per \$100 Valuation				
General Fund	43.7	38.1	38.1	38.1
Transit Fund	6.7	5.3	5.3	5.3
Debt Service Fund	8.8	6.6	6.6	6.6
Total Tax Rate (cents)	59.2	50.0	50.0	50.0
Tax Levy	58,336,927	66,252,000	70,165,000	70,872,000
Estimated Collections at 99%	\$ 58,039,400	\$ 65,914,100	\$ 69,807,200	\$ 70,510,600
Distribution				
General Fund	42,844,873	50,230,000	53,190,000	53,730,000
Transit Fund	6,570,089	6,990,000	7,400,000	7,470,000
Debt Service Fund	8,624,693	8,700,000	9,210,000	9,310,000
Downtown Service District Fund				
Tax Rate (cents)	6.4	5.5	5.5	5.5
Assessed Value of Real and Personal Property	\$ 586,000,000	\$ 762,700,000	\$ 762,700,000	\$ 774,200,000
Tax Levy	375,000	419,000	419,000	426,000
1¢ of the Tax Rate Equals (to nearest 1,000)	\$ 983,000	\$ 1,321,000	\$ 1,396,000	\$ 1,410,000

GENERAL FUND

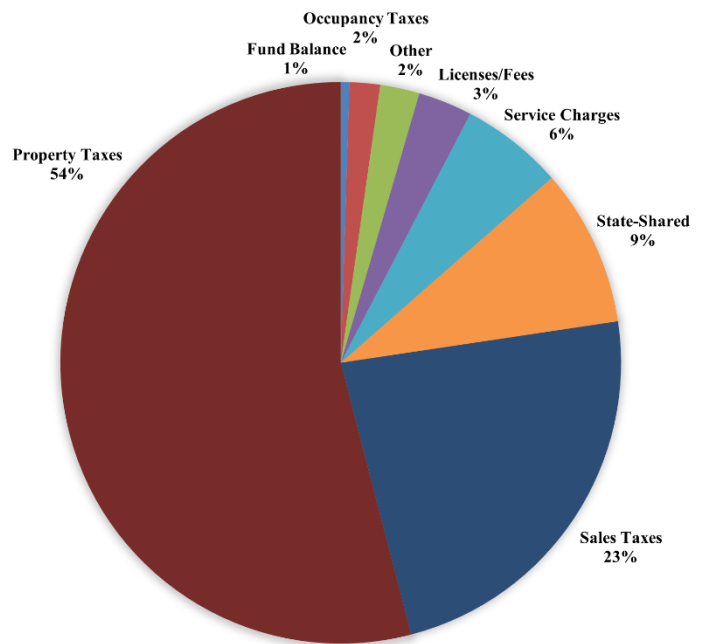
The General Fund is the general operating fund of the Town and is used to account for all revenues and expenditures except those required to be accounted for in another fund. The fund is established at the inception of a government and exists throughout the government's life.

General Fund Expenditures



Total \$99,760,000

General Fund Revenues



**GENERAL FUND
BUDGET SUMMARY**

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Government	\$ 24,631,991	\$ 26,002,682	\$ 29,179,956	\$ 28,152,250	\$ 26,382,329	1.5%
Environment & Development	19,940,281	22,927,421	24,652,481	23,356,599	23,874,968	4.1%
Public Safety	28,193,482	31,275,697	31,575,113	30,755,548	34,354,336	9.8%
Leisure	13,060,062	14,677,200	14,761,787	14,433,372	15,148,367	3.2%
Total	\$ 85,825,816	\$ 94,883,000	\$ 100,169,337	\$ 96,697,769	\$ 99,760,000	5.1%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues:						
Property Taxes	\$ 43,125,347	\$ 50,530,000	\$ 50,530,000	\$ 53,377,500	\$ 53,917,500	6.7%
Sales Taxes	21,643,069	21,528,427	21,528,427	22,550,817	23,257,745	8.0%
Occupancy Tax	1,784,635	1,750,000	1,750,000	1,750,000	1,750,000	0.0%
Other Tax and Licenses	88,821	100,000	100,000	100,000	100,000	0.0%
State-Shared Revenues	9,228,821	8,927,339	8,929,614	9,074,247	9,052,247	1.4%
Interest on Investments	1,279,935	750,000	750,000	903,860	750,000	0.0%
Other Revenues	1,068,677	407,962	499,862	713,687	628,210	54.0%
Grants	863,453	750,083	811,991	856,717	744,988	-0.7%
Charges for Services	6,331,982	6,173,959	6,173,959	5,763,513	5,900,710	-4.4%
Licenses/Permits/Fines	3,016,467	2,920,230	2,920,230	3,015,238	3,113,600	6.6%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Appropriated Fund Balance	(2,650,391)	1,000,000	6,130,254	(1,452,810)	500,000	-50.0%
Total	\$ 85,825,816	\$ 94,883,000	\$ 100,169,337	\$ 96,697,769	\$ 99,760,000	5.1%

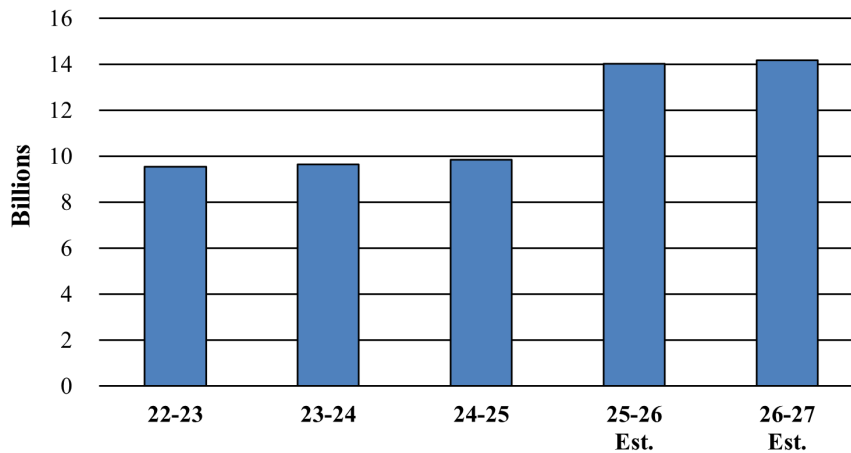
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Property Tax

The largest component of the property tax is the levy on real property. The property tax consists of three components – General Fund, Debt Service Fund, and Transit Fund. We have based our estimate on historic trends and current information from Orange and Durham Counties for the overall tax base. The tax base for 2026-27 is estimated to be \$14,174,340,000 with 1 cent on the tax rate equivalent to about \$1,410,000.

Property Tax Base



The combined property tax revenue we anticipate for 2026-27 totals about \$70.5 million, with \$53.7 million of that supporting the General Fund.

Other Local Taxes

Revenue from the 3 percent Hotel/Motel occupancy tax is expected to total \$1,750,000 in the current year and \$1,750,000 in 2026-27. Generally, revenue trends are affected by University events and overall economic conditions.

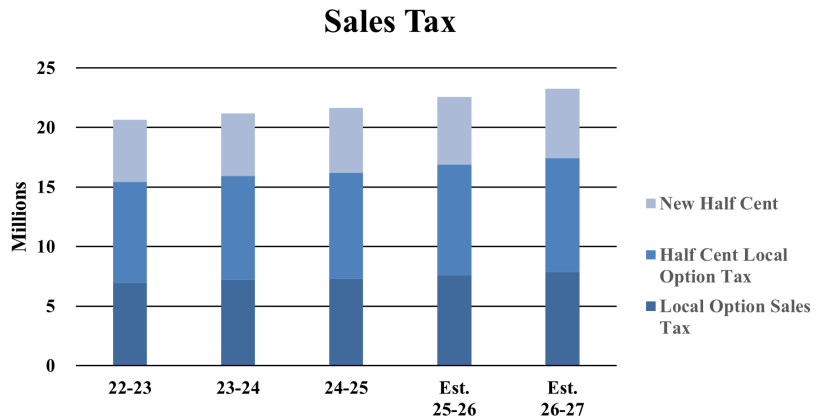
GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

State-Collected Revenues

Sales Taxes

Sales tax revenue is expected to come in over budget in 2025-26. Based on past growth, a decrease of 6.4% was budgeted for FY26. Sales tax receipts are growing at a faster rate versus the previous year through the first seven months. Based on this trend, we anticipate steady growth through the remainder of the fiscal year. We are estimating



an increase of 8% in projected sales tax revenue for FY27 compared to the FY26 adopted budget. We estimate combined sales taxes of about \$22,550,817 for 2025-26. Orange County has the option to change the allocation method for sales taxes from per capita to ad valorem, which would result in a significant reduction in sales tax receipts for the Town.

Motor Fuel Taxes (known as Powell Bill funds)

Motor fuel tax revenue is based on receipts of 1¾ cents of the State gasoline tax allocated to local governments, based on population and local street mileage in each jurisdiction. This revenue is anticipated to total \$1,968,533 in 2025-26, about \$7,000 less than last year. For 2026-27, we anticipate revenues will remain flat at \$1,968,533.

State Fire Protection Funds

We are expecting about \$1,025,000 in State Fire Protection Funds in the current year, and we expect that figure to hold at \$1,025,000 in 2026-27.

Utility Sales Tax

Utility sales taxes are derived from a 3 percent tax on gross revenues from public utilities in each jurisdiction and are collected by the State for distribution to cities and towns. Because the fees are dependent upon utility charges, they are affected by weather conditions and can vary from year to year. In 2007, the State changed the distribution method for cable franchise fees and included them in the utility sales tax distribution. We estimate that we will receive approximately \$5,250,000 in the current year in utility sales taxes. We anticipate that revenues will remain flat at \$5,250,000 in 2026-27.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Solid Waste Disposal Tax

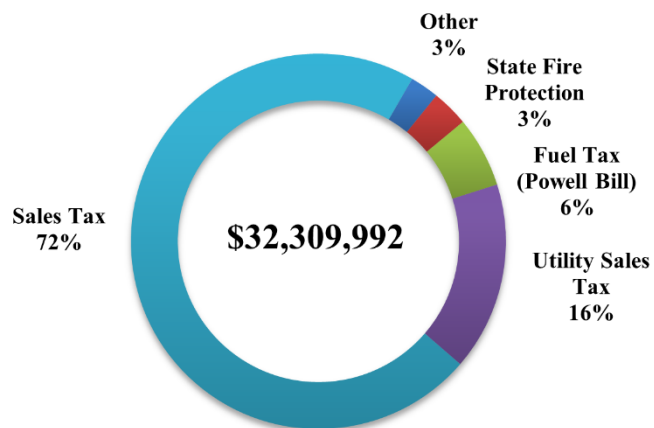
The Solid Waste Disposal Tax went into effect on July 1, 2008. This \$2 per-ton tax is charged on municipal solid waste and construction debris that is deposited in a landfill in the state or transferred at a transfer station for disposal outside of the state. 18.75% of this tax is distributed to cities and towns on a per capita basis. We anticipate receiving around \$48,500 for the current year and \$48,500 next year.

Beer and Wine Taxes

Assuming full receipt of the Beer and Wine tax revenue normally distributed in May to cities and counties, we estimate allocations from this source of about \$250,000 for the current year and \$250,000 next year.

In summary, we estimate State-collected revenues will total about \$32,309,992 for next year.

State Collected Revenues



Other Revenue Sources

Grants

This category of revenue includes certain recurring local and State grants totaling about \$745,000 for 2026-27. Beginning in 2004-05, we began using a separate Grants Fund for non-recurring grants.

Local grants include an appropriation from Orange County to supplement the Town's Parks and Recreation programs and the Town's Library. The recommended budget for 2026-27 includes level funding from the County at \$83,760 for the Parks and Recreation supplement. The recommended 2026-27 budget includes \$621,323 in Orange County funding to support the Chapel Hill Library, which has remained flat compared to the current year's allocation. The State appropriation for Library services is budgeted at \$39,905.

Charges for Services

Service charges for various Town services and programs (including zoning compliance review and Parks and Recreation programs) are estimated to come in under budget in the current year by about \$410,000. This is driven by lower than anticipated development-related revenues, parks activity, garbage collection, and lower charges for CHPD Student Resource Officer services provided to Chapel Hill-Carrboro City Schools. Charges for services are expected to decrease from a budgeted amount of \$6,173,959 in 2025-26 to \$5,900,710 for 2026-27 due to recent trends.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

This category also reflects amounts transferred from other Town funds to the General Fund, primarily to recover administrative and indirect costs from other Town enterprise funds and services. For 2026-27, these include \$89,339 from Parking, \$192,664 from the Stormwater Management Fund, and \$1,941,001 from the Transit Enterprise Fund.

Licenses/Permits/Fines & Forfeitures

Revenue from licenses, permits, and fines are expected to come in over the current year's budget by about \$95,000, mainly due to larger than anticipated revenues from Inspections. Total licenses and permits are expected to increase from just over \$3 million in 2025-26 to \$3.11 million in 2026-27.

Interest on Investments

The General Fund share of interest earned on the Town's investments is recorded in this category. Investment income in the current year's budget was originally estimated at \$750,000. Due to several factors, interest is anticipated to come in over budget at \$903,860 for 2025-26. The Town anticipates \$750,000 in interest income in 2026-27 based on current trends.

Miscellaneous, Transfers, Net Assets (Fund Balance)

Miscellaneous Revenues

The primary miscellaneous revenues include mutual aid reimbursements, court cost reimbursements, donations, insurance claims, various sales conducted by departments, and sales tax refunds. Miscellaneous revenues are expected to total about \$714,000 for 2025-26 and \$628,000 for 2026-27.

Transfers

Transfers include a transfer of \$45,000 for 2026-27 from the Library Gift Fund for Library purposes.

Fund Balance

This appropriation represents a use of net assets (fund balance) for general operations. We are currently budgeted to use about \$6.1 million of fund balance in 2025-26, but we anticipate using no fund balance in the current fiscal year. This is based on conservative revenue estimates and departmental end-of-year expenditure estimates. The annual budget includes the use of \$500,000 in fund balance in 2026-27 to maintain service levels.

GENERAL FUND

Major Revenue Sources - Descriptions and Estimates

Summary of Revenues

In summary, the annual budget includes \$99.76 million in General Fund revenues, including the use of \$500,000 of fund balance.

The table below shows comparative estimates of total General Fund revenues for the current year and next year.

	25-26 Revised Budget	25-26 Estimated	26-27 Recommended Budget
Property Taxes	\$ 50,530,000	\$ 53,377,500	\$ 53,917,500
Sales Taxes	21,528,427	22,550,817	23,257,745
Occupancy Tax	1,750,000	1,750,000	1,750,000
Other State-Collected	8,929,614	9,074,247	9,052,247
Other Revenues	1,349,862	1,717,547	1,478,210
Grants	811,991	856,717	744,988
Service Charges	6,173,959	5,763,513	5,900,710
Licenses/Permits	2,920,230	3,015,238	3,113,600
Interfund Transfers	45,000	45,000	45,000
Fund Balance	<u>6,130,254</u>	<u>(1,452,810)</u>	<u>500,000</u>
Total	\$ 100,169,337	\$ 96,697,769	\$ 99,760,000

GENERAL FUND

Major Expenditures - Descriptions and Estimates

The General Fund provides basic services for Town citizens including police and fire protection, environment and development services (including planning, public works, engineering, and inspections), general administration, and planning for growth and development in the community.

The pie chart below shows the relative proportions of expenditures for the various functions and departments in the General Fund budget totaling \$99,760,000 for the 2026-27 budget.

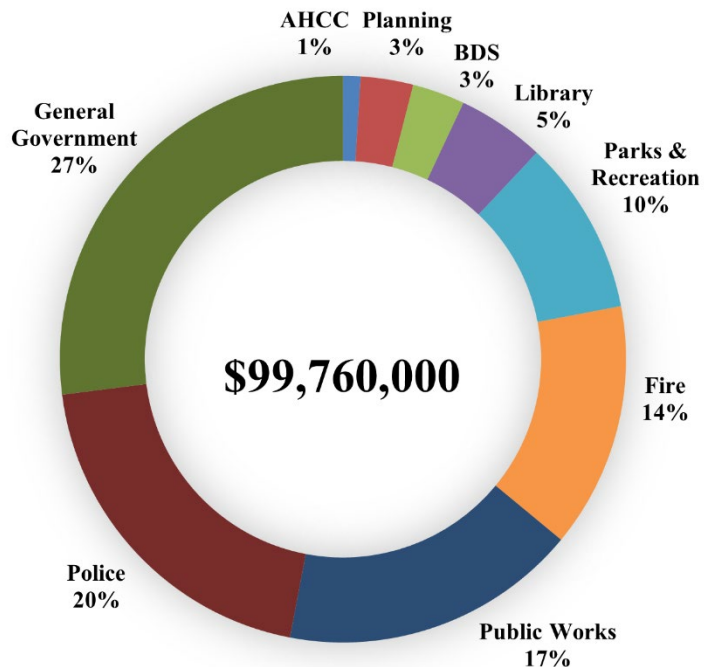
The largest category of expenditures for the General Fund is Public Safety services, with Police Department expenditures of about \$20 million and Fire Department expenditures of about \$14.3 million.

Environment and Development comprises about \$23.9 million, including Planning, Housing & Community Development, Building & Development Services, and Public Works, which provide services of affordable housing, planning for growth, engineering, solid waste collection, maintenance of streets, and maintenance of Town facilities.

Police, Fire, and Public Works together comprise just over 50% of total General Fund expenditures.

Other General Fund services include Parks and Recreation programs totaling about \$9.9 million, Library services of about \$5.3 million, and General Governmental activities (Administration, Town Clerk, Human Resources, Business Management, Technology Solutions, and Attorney) totaling about \$15.2 million.

Non-departmental expenditures total \$11.2 million. \$1,811,084 is included in the recommended budget for distribution to other agencies in support of human services, cultural and arts programs, and development of affordable housing as adopted by the Council. The non-departmental budget also includes funding for capital improvements (just under \$3 million), retiree medical insurance (\$2 million), and legal funds (\$100,000). The budget for liability and property insurance totals \$750,000.



GENERAL FUND

Major Expenditures - Descriptions and Estimates

The 2026-27 Recommended budget includes changes to the Town’s contribution to employee retirement. This amount went up by \$321,749, which reflects a 0.75% increase to the contribution over the prior year. Other personnel increases to the budget include a 4% of market rate salary adjustment starting July 1, 2026 (\$2,107,388) and a 10% health insurance increase (\$555,870). Also related to personnel, the recommended budget includes funding for two new positions in the General Fund: a Destination Coordinator in the Economic Development division of the Manager’s Office (\$108,657) and a Library Associate position (\$81,686).

The 2026-27 budget includes increased funding for vehicle replacement (\$250,000) and additional funding in various areas for cost of services increases (\$201,683). Other increases to the FY27 budget include \$500,000 for Fire Capital costs, \$250,000 for increased facility maintenance, and \$250,000 for streets maintenance. Vehicle Maintenance is up over FY25, by about \$40,000, and liability insurance is also up by \$100,000 over the prior year.

The 2026-27 Recommended Budget continues to fund retiree medical costs on a pay-as-you-go basis (\$2,000,000) and contribute \$250,000 towards the post-employment benefit (OPEB) liability.

The table below shows expenditure levels for General Fund personnel, operating costs, and capital outlay.

EXPENDITURES						
	2024-25	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original Budget	Revised Budget	Estimated	Recommended Budget	from 2025-26
Personnel	\$ 61,218,019	\$ 66,707,228	\$ 66,310,609	\$ 64,693,229	\$ 70,406,945	5.5%
Operating Costs	24,521,387	27,595,772	32,748,037	31,014,378	28,263,055	2.4%
Capital Outlay	86,410	580,000	1,110,691	990,162	1,090,000	87.9%
Total	\$ 85,825,816	\$ 94,883,000	\$ 100,169,337	\$ 96,697,769	\$ 99,760,000	5.1%

GENERAL FUND
EXPENDITURES BY DEPARTMENT

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Government						
Mayor/Council	\$ 581,742	\$ 681,796	\$ 677,796	\$ 680,187	\$ 654,285	-4.0%
Town Manager	4,528,690	5,333,500	5,667,928	5,651,248	5,209,172	-2.3%
Clerk's Office	701,154	-	-	-	-	N/A
Human Resource Development	1,631,250	1,716,928	1,788,071	1,505,733	1,822,794	6.2%
Business Management	2,876,933	3,389,911	3,468,079	3,392,506	3,523,719	3.9%
Technology Solutions	2,783,835	2,921,485	3,014,490	2,989,316	3,237,734	10.8%
Town Attorney	659,499	711,636	711,636	659,347	712,812	0.2%
Non-Departmental	10,868,888	11,247,426	13,851,956	13,273,913	11,221,813	-0.2%
Subtotal	\$ 24,631,991	\$ 26,002,682	\$ 29,179,956	\$ 28,152,250	\$ 26,382,329	1.5%
Environment & Development						
Planning	\$ 1,912,087	\$ 2,323,849	\$ 2,946,526	\$ 2,435,931	\$ 2,431,853	4.6%
Housing and Community Development	1,123,464	1,291,081	1,172,441	994,046	1,051,323	-18.6%
Public Works	14,285,315	16,236,025	17,466,471	17,036,434	17,087,433	5.2%
Building & Development Services	2,619,415	3,076,466	3,067,043	2,890,188	3,304,359	7.4%
Subtotal	\$ 19,940,281	\$ 22,927,421	\$ 24,652,481	\$ 23,356,599	\$ 23,874,968	4.1%
Public Safety						
Police	\$ 16,682,732	\$ 18,724,176	\$ 18,757,852	\$ 18,213,613	\$ 20,038,778	7.0%
Fire	11,510,750	12,551,521	12,817,261	12,541,935	14,315,558	14.1%
Subtotal	\$ 28,193,482	\$ 31,275,697	\$ 31,575,113	\$ 30,755,548	\$ 34,354,336	9.8%
Leisure						
Parks and Recreation	\$ 8,500,018	\$ 9,694,655	\$ 9,772,467	\$ 9,448,071	\$ 9,881,783	1.9%
Library	4,560,044	4,982,545	4,989,320	4,985,301	5,266,584	5.7%
Subtotal	\$ 13,060,062	\$ 14,677,200	\$ 14,761,787	\$ 14,433,372	\$ 15,148,367	3.2%
General Fund Total	\$ 85,825,816	\$ 94,883,000	\$ 100,169,337	\$ 96,697,769	\$ 99,760,000	5.1%

**GENERAL GOVERNMENT
BUDGET SUMMARY**

This section includes management, human resources, finance, information technology, and legal functions to support all Town departments, as well as budget for non-departmental expenses.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Mayor/Council	\$ 581,742	\$ 681,796	\$ 677,796	\$ 680,187	\$ 654,285	-4.0%
Town Manager	4,528,690	5,333,500	5,667,928	5,651,248	5,209,172	-2.3%
Clerk's Office	701,154	-	-	-	-	N/A
Human Resource Development	1,631,250	1,716,928	1,788,071	1,505,733	1,822,794	6.2%
Business Management	2,876,933	3,389,911	3,468,079	3,392,506	3,523,719	3.9%
Technology Solutions	2,783,835	2,921,485	3,014,490	2,989,316	3,237,734	10.8%
Town Attorney	659,499	711,636	711,636	659,347	712,812	0.2%
Non-Departmental	10,868,888	11,247,426	13,851,956	13,273,913	11,221,813	-0.2%
Total	\$ 24,631,991	\$ 26,002,682	\$ 29,179,956	\$ 28,152,250	\$ 26,382,329	1.5%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 24,631,991	\$ 26,002,682	\$ 29,179,956	\$ 28,152,250	\$ 26,382,329	1.5%
Total	\$ 24,631,991	\$ 26,002,682	\$ 29,179,956	\$ 28,152,250	\$ 26,382,329	1.5%

MAYOR
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Mayoral Assistant	1.00	1.00	1.00
Mayor's Office Totals	1.00	1.00	1.00

MAYOR
BUDGET SUMMARY

The recommended budget for the Mayor’s Office reflects a 4% increase from the 2025-26 budget. Personnel costs increased 4.4%, reflecting a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. Operating costs remained mostly flat.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 143,222	\$ 153,078	\$ 150,528	\$ 153,509	\$ 159,819	4.4%
Operating Costs	18,953	21,353	19,903	21,018	21,516	0.8%
Total	\$ 162,175	\$ 174,431	\$ 170,431	\$ 174,527	\$ 181,335	4.0%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 162,175	\$ 174,431	\$ 170,431	\$ 174,527	\$ 181,335	4.0%
Total	\$ 162,175	\$ 174,431	\$ 170,431	\$ 174,527	\$ 181,335	4.0%

COUNCIL

BUDGET SUMMARY

The recommended budget for the Town Council reflects a decrease of 6.8% from the 2025-26 budget, primarily due to a decrease in operating expenses because FY26-27 is not an election year. Personnel expenses went up due to increased insurance costs and a salary increase.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 278,412	\$ 291,185	\$ 291,185	\$ 293,397	\$ 320,340	10.0%
Operating Costs	141,155	216,180	216,180	212,263	152,610	-29.4%
Total	\$ 419,567	\$ 507,365	\$ 507,365	\$ 505,660	\$ 472,950	-6.8%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 419,567	\$ 507,365	\$ 507,365	\$ 505,660	\$ 472,950	-6.8%
Total	\$ 419,567	\$ 507,365	\$ 507,365	\$ 505,660	\$ 472,950	-6.8%

TOWN MANAGER'S OFFICE
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Manager			
Town Manager	1.00	1.00	1.00
Deputy Town Manager	2.00	2.00	2.00
Strategic Project Manager	1.00	1.00	1.00
Administrative Services Manager	1.00	1.00	1.00
Grants Administrator	1.00	0.00	0.00
Director of Employee Engagement & Organizational Development	1.00	0.00	0.00
Administrative Coordinator	1.00	1.00	1.00
Urban Designer	1.00	1.00	1.00
Ombuds	1.00	1.00	1.00
Community Relations Manager	1.00	1.00	1.00
Division Totals	11.00	9.00	9.00
Communications			
Director - Strategic Marketing & Communications	1.00	1.00	1.00
Communications Manager	0.00	0.00	1.00
Graphic Artist	1.00	1.00	0.00
Digital Content Coordinator	1.00	1.00	1.00
Community Engagement Manager ¹	0.00	1.00	1.00
Community Engagement Coordinator ²	0.00	1.00	1.00
Community Engagement Coordinator ³	0.00	0.00	1.00
Division Totals	3.00	5.00	6.00
Economic Development			
Director - Economic Development	1.00	1.00	1.00
Business Vitality Manager	1.00	1.00	1.00
Economic Development Marketing & Comms Coordinator	1.00	1.00	1.00
Destination Coordinator	0.00	0.00	1.00
Division Totals	3.00	3.00	4.00
Human Relations			
Human Relations Officer	1.00	1.00	1.00
Human Relations Program Manager	1.00	1.00	1.00
Community Connections Manager ³	0.00	0.00	1.00
Division Totals	2.00	2.00	3.00
Emergency Preparedness & Risk Management⁴			
Emergency Management Manager	1.00	1.00	0.00
Deputy Emergency Management Manager	1.00	1.00	0.00
Risk Manager	1.00	1.00	0.00
Risk Claims Specialist	1.00	1.00	0.00
Division Totals	4.00	4.00	0.00

continued

TOWN MANAGER'S OFFICE
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Clerk's Office⁵			
Town Clerk	0.00	1.00	1.00
Town Clerk - Deputy	0.00	1.00	1.00
Assistant Town Clerk	0.00	1.00	1.00
Records Manager	0.00	1.00	1.00
Division Totals	0.00	4.00	4.00
Climate Action⁶			
Community Sustainability Manager	1.00	1.00	1.00
Community Sustainability Analyst	1.00	1.00	1.00
Community Sustainability Coordinator	1.00	1.00	1.00
Division Totals	3.00	3.00	3.00
Town Manager's Office Totals	26.00	30.00	29.00

¹ This position moved from Housing & Community Development during FY24-25.

² This position was grant-funded through FY24-25 but is a Town-funded position starting in FY25-26.

³ These positions moved from Housing & Community Development during FY25-26.

⁴ The positions in this division will move to the Police Department and Human Resources Development starting in FY26-27.

⁵ The Clerk's Office was absorbed into the Manager's Office during FY24-25.

⁶ These positions are housed in the Manager's Office but paid out of the Climate Action Fund.

TOWN MANAGER

BUDGET SUMMARY

The recommended budget for the Manager’s Office reflects a 2.3% decrease from the 2025-26 budget. The 0.4% increase in personnel expenses captures the four positions in the Emergency Preparedness and Risk Management division being disbursed to other departments and the removal of a full-time Graphic Artist position; these decreases were offset by two positions moving in from Housing & Community Development, the addition of a Communications Manager and a Destination Coordinator, along with a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. The 14.2% decrease in operating expenses is due to the Emergency Preparedness and Risk Management division operational costs moving out.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 3,839,390	\$ 4,338,638	\$ 4,477,126	\$ 4,598,743	\$ 4,355,512	0.4%
Operating Costs	689,300	994,862	1,190,802	1,052,505	853,660	-14.2%
Total	\$ 4,528,690	\$ 5,333,500	\$ 5,667,928	\$ 5,651,248	\$ 5,209,172	-2.3%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 4,528,690	\$ 5,333,500	\$ 5,667,928	\$ 5,651,248	\$ 5,209,172	-2.3%
Total	\$ 4,528,690	\$ 5,333,500	\$ 5,667,928	\$ 5,651,248	\$ 5,209,172	-2.3%

CLERK'S OFFICE
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Town Clerk	1.00	0.00	0.00
Town Clerk - Deputy	1.00	0.00	0.00
Assistant Town Clerk	1.00	0.00	0.00
Records Manager	1.00	0.00	0.00
Office Assistant	0.50	0.00	0.00
Clerk's Office Department Totals	<u>4.50</u>	<u>0.00</u>	<u>0.00</u>

*This department was absorbed into the Manager's Office during FY24-25.

CLERK'S OFFICE
BUDGET SUMMARY

The Clerk's Office has been moved in full to reside within the Manager's Office, which is why there is no 2026-2027 recommended budget.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 539,331	\$ -	\$ -	\$ -	\$ -	N/A
Operating Costs	161,823	-	-	-	-	N/A
Total	\$ 701,154	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 701,154	\$ -	\$ -	\$ -	\$ -	N/A
Total	\$ 701,154	\$ -	\$ -	\$ -	\$ -	N/A

***HUMAN RESOURCE DEVELOPMENT DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Director - Human Resource Development	1.00	1.00	1.00
Assistant Director - Human Resource Development	1.00	1.00	1.00
Human Resources Specialist	1.00	1.00	1.00
Human Resources Generalist	3.00	3.00	3.00
Administrative Assistant	1.00	1.00	1.00
Administrative Technician	1.00	1.00	1.00
Risk Manager ¹	0.00	0.00	1.00
Risk Claims Administrator ¹	0.00	0.00	1.00
Human Resource Development Totals	8.00	8.00	10.00

¹ These positions moved from the Manager's Office starting in FY26-27.

HUMAN RESOURCE DEVELOPMENT BUDGET SUMMARY

The recommended budget for the Human Resource Development department reflects a 6.2% increase from the 2025-26 budget. Personnel expenses increased by 29.1% due to two Risk Management staff moving in from the Manager's Office, a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. Operating expenses decreased 29.1%, accounting for the dissolution of the Wellness Clinic, but this is somewhat offset by Risk Management operating costs being added to the department's budget, along with added budget for training, professional services, and Town-wide administrative 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	\$ 968,589	\$ 1,040,043	\$ 1,040,893	\$ 1,002,684	\$ 1,343,066	29.1%
Operating Costs	662,661	676,885	747,178	503,049	479,728	-29.1%
Total	\$ 1,631,250	\$ 1,716,928	\$ 1,788,071	\$ 1,505,733	\$ 1,822,794	6.2%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 1,631,250	\$ 1,716,928	\$ 1,788,071	\$ 1,505,733	\$ 1,822,794	6.2%
Total	\$ 1,631,250	\$ 1,716,928	\$ 1,788,071	\$ 1,505,733	\$ 1,822,794	6.2%

BUSINESS MANAGEMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25	2025-26	2026-27
	ADOPTED	ADOPTED	RECOMMENDED
Director - Business Management	1.00	1.00	1.00
Assistant Director - Business Management	1.00	1.00	1.00
Financial Systems Manager	1.00	1.00	1.00
Financial Systems Analyst	1.00	1.00	1.00
Payroll and HR Systems Analyst	0.00	1.00	1.00
Data & Analytics Analyst	1.00	1.00	1.00
Budget & Management Analyst	1.00	1.00	1.00
Accounting Manager	1.00	1.00	1.00
Accounting Projects Manager	1.00	1.00	1.00
Accounting Supervisor - Payroll & Payables	1.00	1.00	1.00
Accountant - Housing	1.00	1.00	1.00
Purchasing & Contracts Manager	1.00	1.00	1.00
Procurement Analyst	1.00	1.00	1.00
Payroll Coordinator	1.00	1.00	1.00
Payroll Specialist	1.00	1.00	0.00
Accounts Payable Coordinator	1.00	1.00	1.00
Accounts Payable Specialist	1.00	1.00	1.00
Revenue Coordinator	1.00	1.00	1.00
Revenue Collector	1.00	1.00	1.00
Administrative Coordinator	0.00	0.00	1.00
Business Management Department Totals	<u>18.00</u>	<u>19.00</u>	<u>19.00</u>

***BUSINESS MANAGEMENT
BUDGET SUMMARY***

The recommended budget for the Business Management department reflects a 3.9% increase from the 2025-26 budget. Personnel expenses increased by 4.8% due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. Operating costs increased 1.3% to account for the rising costs of MUNIS software and computer use charges.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,187,781	\$ 2,524,681	\$ 2,524,681	\$ 2,454,755	\$ 2,646,976	4.8%
Operating Costs	689,152	865,230	943,398	937,751	876,743	1.3%
Total	\$ 2,876,933	\$ 3,389,911	\$ 3,468,079	\$ 3,392,506	\$ 3,523,719	3.9%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 2,876,933	\$ 3,389,911	\$ 3,468,079	\$ 3,392,506	\$ 3,523,719	3.9%
Total	\$ 2,876,933	\$ 3,389,911	\$ 3,468,079	\$ 3,392,506	\$ 3,523,719	3.9%

TECHNOLOGY SOLUTIONS

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25	2025-26	2026-27
	ADOPTED	ADOPTED	RECOMMENDED
Director - Technology Solutions	1.00	1.00	1.00
Systems Administrator	1.00	1.00	1.00
Network Engineer	1.00	1.00	1.00
IT Operations Manager	1.00	1.00	1.00
Senior IT Business Analyst	1.00	1.00	1.00
IT Business Analyst	1.00	1.00	1.00
Senior Information Technology Analyst	4.00	4.00	4.00
IT Architecture and Application Manager	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Information Security Officer	1.00	1.00	1.00
GIS Analyst	2.00	2.00	2.00
GIS Manager	1.00	1.00	1.00
Technology Solutions Department Totals	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>

TECHNOLOGY SOLUTIONS

BUDGET SUMMARY

The recommended budget for the Technology Solutions department reflects a 10.8% increase from the 2025-26 budget. Personnel expenses increased by 5.3% due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. Operating expenses increased by 33.5% due to rising costs for existing IT infrastructure, security, and software, as well as added budget for security-related technology and Microsoft licenses. Capital outlay remains flat.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,081,545	\$ 2,284,397	\$ 2,286,897	\$ 2,302,502	\$ 2,405,405	5.3%
Operating Costs	702,290	582,088	683,093	631,814	777,329	33.5%
Capital Outlay	-	55,000	44,500	55,000	55,000	0.0%
Total	\$ 2,783,835	\$ 2,921,485	\$ 3,014,490	\$ 2,989,316	\$ 3,237,734	10.8%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 2,783,835	\$ 2,921,485	\$ 3,014,490	\$ 2,989,316	\$ 3,237,734	10.8%
Total	\$ 2,783,835	\$ 2,921,485	\$ 3,014,490	\$ 2,989,316	\$ 3,237,734	10.8%

TOWN ATTORNEY
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25	2025-26	2026-27
	ADOPTED	ADOPTED	RECOMMENDED
Town Attorney	1.00	1.00	1.00
Assistant Town Attorney	1.00	1.00	1.00
Paralegal/Legal Services Administrator	1.00	1.00	1.00
	<hr/>		
Town Attorney Totals	3.00	3.00	3.00
	<hr/>		

TOWN ATTORNEY
BUDGET SUMMARY

The recommended budget for the Attorney’s Office reflects a 0.2% increase from the 2025-26 budget. Personnel expenses remained flat, reflecting turnover offset by a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. Operating expenses increased 4.4% due to increased budget for rising subscription 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	\$ 646,732	\$ 678,409	\$ 678,409	\$ 629,682	\$ 678,127	0.0%
Operating Costs	12,767	33,227	33,227	29,665	34,685	4.4%
Total	\$ 659,499	\$ 711,636	\$ 711,636	\$ 659,347	\$ 712,812	0.2%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 659,499	\$ 711,636	\$ 711,636	\$ 659,347	\$ 712,812	0.2%
Total	\$ 659,499	\$ 711,636	\$ 711,636	\$ 659,347	\$ 712,812	0.2%

**NON-DEPARTMENTAL DIVISION
BUDGET SUMMARY**

The Non-Departmental Division is used to account for activities in the General Fund that are not allocated to other departmental functions. These activities include contributions to other agencies, transfers to other funds, and liability insurance. The Town does not receive grants until mid-late May, so that line item will be adjusted for the adopted budget once the Town has received the grants.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Retiree Medical Insurance	\$ 1,847,290	\$ 1,852,000	\$ 1,852,000	\$ 1,957,084	\$ 2,000,000	8.0%
Other Personnel Costs	5,824	215,151	215,151	(27,498)	10,000	-95.4%
Liability Insurance	666,810	650,000	650,000	688,937	750,000	15.4%
Transfer to Affordable Housing Operations	722,003 850,065	722,003 970,884	722,003 963,195	722,003 587,375	722,003 912,813	0.0% -6.0%
Supplemental PEG Fees	134,311	175,000	175,000	150,000	150,000	-14.3%
Transfer to Other Funds	7,771	221,948	221,948	221,948	221,948	0.0%
Transfer to Downtown Service District Fund	100,000	100,000	460,000	460,000	-	-100.0%
Transfer to Capital Improvement Funds	2,586,623	2,737,403	3,777,418	3,777,418	2,987,403	9.1%
Transfer to Debt Fund	445,100	445,100	445,100	445,100	445,100	0.0%
OPEB Liability Contributions	250,000	250,000	250,000	250,000	250,000	0.0%
Transfer to Climate Action Fund	804,259	804,259	804,259	804,259	804,259	0.0%
Transfer to Parking Fund	-	-	1,072,500	1,072,500	-	N/A
Grant Matching Funds	85,021	83,703	83,298	83,703	83,703	0.0%
Agency Contributions	2,363,811	2,019,975	2,160,084	2,081,084	1,811,084	-10.3%
Grants & Deferred Loans	-	-	-	-	73,500	N/A
Total	\$ 10,868,888	\$ 11,247,426	\$ 13,851,956	\$ 13,273,913	\$ 11,221,813	-0.2%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 10,868,888	\$ 11,247,426	\$ 13,851,956	\$ 13,273,913	\$ 11,221,813	-0.2%
Total	\$ 10,868,888	\$ 11,247,426	\$ 13,851,956	\$ 13,273,913	\$ 11,221,813	-0.2%

**ENVIRONMENT & DEVELOPMENT
BUDGET SUMMARY**

This section includes the Planning, Public Works, Housing & Community Development, and Building & Development Services departments.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Planning	\$ 1,912,087	\$ 2,323,849	\$ 2,946,526	\$ 2,435,931	\$ 2,431,853	4.6%
Housing & Community Development	1,123,464	1,291,081	1,172,441	994,046	1,051,323	-18.6%
Public Works	14,285,315	16,236,025	17,466,471	17,036,434	17,087,433	5.2%
Building & Development Services	2,619,415	3,076,466	3,067,043	2,890,188	3,304,359	7.4%
Total	\$ 19,940,281	\$ 22,927,421	\$ 24,652,481	\$ 23,356,599	\$ 23,874,968	4.1%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 15,179,048	\$ 19,117,918	\$ 20,842,978	\$ 19,442,604	\$ 20,213,409	5.7%
State-Shared Revenues	48,721	46,500	46,500	48,500	48,500	4.3%
Grants	10,340	-	-	-	-	N/A
Charges for Services	1,981,202	1,448,273	1,448,273	1,242,323	1,091,959	-24.6%
Licenses/Permits/Fines	2,439,791	2,283,730	2,283,730	2,404,438	2,477,100	8.5%
Other Revenues	281,179	31,000	31,000	218,734	44,000	41.9%
Total	\$ 19,940,281	\$ 22,927,421	\$ 24,652,481	\$ 23,356,599	\$ 23,874,968	4.1%

PLANNING DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Director - Planning	1.00	1.00	1.00
Long Range Planning Manager	1.00	1.00	1.00
Mobility & Greenways Manager ¹	1.00	1.00	1.00
Zoning Administrator	1.00	1.00	1.00
Planner I/Planner II/Principal Planner/Senior Planner ²	8.00	8.00	8.00
Administrative Coordinator ³	0.80	0.80	0.80
Development Technician	2.00	2.00	2.00
Mobility & Greenways Planner ²	1.00	1.00	1.00
Senior Engineer ⁴	0.50	0.50	0.50
Vison Zero Coordinator ⁵	1.00	1.00	1.00
Safe Routes to School Coordinator ⁵	1.00	1.00	1.00
Planning Department Totals	<u>18.30</u>	<u>18.30</u>	<u>18.30</u>

¹ This position is majority grant-funded.

² Some Planner positions are partially grant-funded in FY26-27.

³ This position is partially grant-funded and also split in part with Housing & Community Development.

⁴ This position is split with the Stormwater fund.

⁵ These positions are 100% grant-funded and formerly were not counted in the Staffing Summary. They have been added to more accurately capture the staff count of the department.

PLANNING
BUDGET SUMMARY

The recommended budget for the Planning Department reflects a 4.6% increase from the 2025-26 budget. The 2.7% increase in personnel expenses is due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase, somewhat offset by turnover. Operating expenses increased 13.1% due to increased Transportation Planning Organization dues and added funding for long-range planning.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,685,073	\$ 1,885,204	\$ 1,885,609	\$ 1,667,627	\$ 1,935,749	2.7%
Operating Costs	227,014	438,645	1,060,917	768,304	496,104	13.1%
Total	\$ 1,912,087	\$ 2,323,849	\$ 2,946,526	\$ 2,435,931	\$ 2,431,853	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
General Revenues	\$ 786,238	\$ 1,706,136	\$ 2,328,813	\$ 1,977,320	\$ 2,140,024	25.4%
Charges for Services	1,079,205	601,273	601,273	441,823	269,459	-55.2%
Licenses/Permits/Fines	29,626	10,440	10,440	10,788	17,370	66.4%
Other Revenues	17,018	6,000	6,000	6,000	5,000	-16.7%
Total	\$ 1,912,087	\$ 2,323,849	\$ 2,946,526	\$ 2,435,931	\$ 2,431,853	4.6%

PUBLIC WORKS DEPARTMENT
STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
<u>Administration</u>			
Director - Public Works	1.00	1.00	1.00
Deputy Director - Public Works	1.00	1.00	1.00
Division Manager	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Occupational Health and Safety Officer	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	9.00	9.00	9.00
<u>Engineering and Design Services</u>			
Engineering and Infrastructure			
Town Engineer	1.00	1.00	1.00
Engineering Coordinator	1.00	1.00	1.00
Professional Land Surveyor ¹	0.75	0.75	0.75
Engineering Inspector	1.00	1.00	1.00
Senior Engineering Inspector ¹	0.70	0.70	0.70
Engineering Technician	1.00	1.00	1.00
Capital Project Manager	1.00	1.00	1.00
Engineer - Certified PE ¹	0.50	0.50	0.50
Unit Totals	6.95	6.95	6.95
Transportation Engineering and Operations			
Transportation Engineering Manager	1.00	1.00	1.00
Assistant Transportation Engineer	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00
Traffic Signal Systems Analyst	1.00	1.00	1.00
Traffic Signal Supervisor	1.00	1.00	1.00
Traffic Signal Technician (Levels I-III)	3.00	3.00	3.00
Lead Sign & Marking Technician	1.00	1.00	1.00
Sign and Marking Technician (Levels I-II)	2.00	2.00	2.00
Traffic Operations Coordinator	0.00	1.00	1.00
Unit Totals	11.00	12.00	12.00
Division Totals	17.95	18.95	18.95

continued

PUBLIC WORKS DEPARTMENT

STAFFING COMPARISONS - IN FULL TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
<u>Streets and Construction Services</u>			
Construction			
Supervisor - Construction Crew	1.00	1.00	1.00
Construction Worker (Levels I - IV)	4.00	4.00	4.00
Heavy Equipment Operator	1.00	1.00	1.00
Unit Totals	6.00	6.00	6.00
Streets			
Streets & Construction Superintendent	1.00	1.00	1.00
Streets Supervisor	1.00	1.00	1.00
Street Inspector	1.00	1.00	1.00
Streets Crew Supervisor	1.00	1.00	1.00
Construction Worker (Levels I-III)	8.00	8.00	8.00
Heavy Equipment Operator	1.00	1.00	1.00
Lead Construction Worker	1.00	1.00	1.00
Unit Totals	14.00	14.00	14.00
Division Totals	20.00	20.00	20.00
<u>Facilities Management</u>			
Facilities Manager	1.00	1.00	1.00
Facilities Supervisor	1.00	1.00	1.00
Senior Project Manager	1.00	1.00	1.00
Building Maintenance Mechanic (Levels I-III)	6.00	6.00	6.00
Facilities Systems Technician	1.00	1.00	1.00
Fleet Systems Technician ²	0.25	0.25	0.25
Unit Totals	10.25	10.25	10.25
Division Totals	10.25	10.25	10.25
<u>Solid Waste</u>			
Solid Waste Services Manager	1.00	1.00	1.00
Solid Waste Operations Coordinator	1.00	1.00	1.00
Solid Waste Crew Supervisor	2.00	2.00	2.00
Solid Waste Operator (Levels I-III)	17.00	17.00	17.00
Solid Waste Collector	13.00	13.00	13.00
Unit Totals	34.00	34.00	34.00
Division Totals	34.00	34.00	34.00
Public Works Department Totals	91.20	92.20	92.20

¹ The Stormwater fund assumes a portion of the salaries for the Professional Land Surveyor, Sr. Engineering Inspector, and Engineer - Certified PE.

² This position is split between the Facilities Management division and the Fleet Management fund.

Note: Fleet Management employees are supervised by Public Works, but included within the Fleet Management Fund Staffing Summary.

PUBLIC WORKS BUDGET SUMMARY

The recommended budget for the Public Works Department reflects a 5.2% increase from the 2025-26 budget. Personnel expenses in the recommended budget reflect a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Administration	\$ 1,328,577	\$ 1,550,760	\$ 1,560,506	\$ 1,529,261	\$ 1,528,056	-1.5%
Engineering & Design	777,989	972,292	974,462	909,596	1,004,955	3.4%
Transportation Engineering	2,270,365	2,524,876	2,509,322	2,191,417	2,543,771	0.7%
Construction	512,695	807,659	899,916	897,928	809,246	0.2%
Streets	2,180,175	3,055,419	4,113,536	4,110,593	3,599,289	17.8%
Facilities Management	2,354,782	2,274,845	2,298,439	2,283,680	2,314,348	1.7%
Solid Waste	4,860,732	5,050,174	5,110,290	5,113,959	5,287,768	4.7%
Total	\$ 14,285,315	\$ 16,236,025	\$ 17,466,471	\$ 17,036,434	\$ 17,087,433	5.2%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 12,906,056	\$ 15,163,825	\$ 16,394,271	\$ 15,802,550	\$ 16,036,133	5.8%
State Shared	48,721	46,500	46,500	48,500	48,500	4.3%
Charges for Services	901,997	847,000	847,000	800,500	822,500	-2.9%
Licenses/Permits/Fines	164,380	153,700	153,700	172,150	141,300	-8.1%
Other Revenues	264,161	25,000	25,000	212,734	39,000	56.0%
Total	\$ 14,285,315	\$ 16,236,025	\$ 17,466,471	\$ 17,036,434	\$ 17,087,433	5.2%

PUBLIC WORKS - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration Division of the Public Works Department reflects a 1.5% decrease from the 2025-26 budget. Personnel expenses increased by 5.3% due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. Operating expenses decreased 34.4%, mostly due to no vehicle replacement budget compared to last year as well as reduced budget for software.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,149,358	\$ 1,285,720	\$ 1,281,470	\$ 1,283,411	\$ 1,354,244	5.3%
Operating Costs	179,219	265,040	279,036	245,850	173,812	-34.4%
Total	\$ 1,328,577	\$ 1,550,760	\$ 1,560,506	\$ 1,529,261	\$ 1,528,056	-1.5%

PUBLIC WORKS - Engineering
BUDGET SUMMARY

The recommended budget for the Engineering Division of the Public Works Department reflects a 3.4% increase from the 2025-26 budget. Personnel costs have increased 8.7% due to a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and turnover. Operating expenses went down 55.2% due to no vehicle replacement budget compared to last year.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 749,488	\$ 891,242	\$ 895,492	\$ 830,918	\$ 968,620	8.7%
Operating Costs	28,501	81,050	78,970	78,678	36,335	-55.2%
Total	\$ 777,989	\$ 972,292	\$ 974,462	\$ 909,596	\$ 1,004,955	3.4%

PUBLIC WORKS - Transportation Engineering
BUDGET SUMMARY

The recommended budget for the Transportation Engineering Division of the Public Works Department reflects a 0.7% increase from the 2025-26 budget. Personnel expenses decreased by 1.6% due to turnover within the division. Operating expenses increased by 3.6% primarily due to higher street lighting electricity 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	\$ 1,153,140	\$ 1,378,111	\$ 1,370,611	\$ 1,132,965	\$ 1,355,789	-1.6%
Operating Costs	1,117,225	1,146,765	1,138,711	1,058,452	1,187,982	3.6%
Total	\$ 2,270,365	\$ 2,524,876	\$ 2,509,322	\$ 2,191,417	\$ 2,543,771	0.7%

PUBLIC WORKS - Construction
BUDGET SUMMARY

The recommended budget for the Construction Division of the Public Works Department reflects a 0.2% increase from the 2025-26 budget. Personnel expenses increased by 9.2% due to a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and impacts from the Pay & Classification Study. Operating expenses decreased by 14.4% due to less money for vehicle replacement compared to the previous year.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 402,746	\$ 498,559	\$ 490,854	\$ 478,500	\$ 544,587	9.2%
Operating Costs	109,949	309,100	409,062	419,428	264,659	-14.4%
Total	\$ 512,695	\$ 807,659	\$ 899,916	\$ 897,928	\$ 809,246	0.2%

PUBLIC WORKS - Streets
BUDGET SUMMARY

The recommended budget for the Streets division reflects an overall expenditure increase of 17.8% from the 2025-26 budget. The 5.1% increase in personnel is due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. The operating budget increased by 27.6% due to an increase in street resurfacing funds and more budget for vehicle replacement compared to last year. Capital outlay increased as part of efforts to increase the department's budget to account for the rising costs of doing business.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,201,155	\$ 1,340,529	\$ 1,320,529	\$ 1,312,877	\$ 1,408,767	5.1%
Operating Costs	979,020	1,689,890	2,445,464	2,450,173	2,155,522	27.6%
Capital Outlay	-	25,000	347,543	347,543	35,000	40.0%
Total	\$ 2,180,175	\$ 3,055,419	\$ 4,113,536	\$ 4,110,593	\$ 3,599,289	17.8%

PUBLIC WORKS - Facilities Management
BUDGET SUMMARY

The recommended budget for the Facilities Management division reflects a 1.7% increase from 2025-26. The 4.9% increase in personnel costs reflects a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. The 2.1% decrease in operations reflects no vehicle replacement budget compared to last year.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,191,208	\$ 1,232,960	\$ 1,240,460	\$ 1,227,226	\$ 1,293,847	4.9%
Operating Costs	1,163,574	1,041,885	1,057,979	1,056,454	1,020,501	-2.1%
Total	\$ 2,354,782	\$ 2,274,845	\$ 2,298,439	\$ 2,283,680	\$ 2,314,348	1.7%

PUBLIC WORKS - Solid Waste Services
BUDGET SUMMARY

The recommended budget for the Solid Waste Services division reflects an overall expenditure increase of 4.7% from last year's budget. The 5.3% increase in personnel costs is due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. The 3.8% increase in operating costs is due to increased budget for vehicle replacement and added funding for supplies.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,718,518	\$ 2,947,264	\$ 2,947,264	\$ 2,961,341	\$ 3,104,540	5.3%
Operating Costs	2,142,214	2,102,910	2,163,026	2,152,618	2,183,228	3.8%
Total	\$ 4,860,732	\$ 5,050,174	\$ 5,110,290	\$ 5,113,959	\$ 5,287,768	4.7%

HOUSING & COMMUNITY DEVELOPMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25	2025-26	2026-27
	ADOPTED	ADOPTED	RECOMMENDED
Director - Housing & Community Development ¹	0.80	0.80	1.00
Assistant Director (1) ¹	0.50	0.50	1.00
Assistant Director (2)	0.50	0.50	0.00
Community Engagement Manager ²	1.00	0.00	0.00
Community Engagement Coordinator ³	1.00	1.00	0.00
Affordable Housing Manager	1.00	1.00	0.00
Affordable Housing Development Coordinator	1.00	1.00	1.00
Funding Programs Coordinator	1.00	1.00	1.00
Community Connections Manager ³	1.00	1.00	0.00
Housing Maintenance Mechanic ⁴	0.50	0.50	0.50
Management Analyst ⁴	0.50	0.50	0.20
Housing Programs Coordinator	1.00	1.00	1.00
Housing Programs Analyst	0.00	0.00	1.00
Compliance Analyst ⁴	0.00	0.00	0.50
Administrative Coordinator ⁵	0.00	0.00	0.20
H&CD Department Totals	<u>9.80</u>	<u>8.80</u>	<u>7.40</u>

¹ Portions of these positions were formerly paid out of the Public Housing Fund but will be fully paid out of the General Fund as of FY26-27.

² This position moved to the Manager's Office during FY24-25.

³ These positions moved to the Manager's Office during FY25-26.

⁴ These positions are split between Housing & Community Development and the Public Housing Fund.

⁵ The portion of this position formerly paid out of the Public Housing Fund has moved to H&CD for FY26-27.

HOUSING & COMMUNITY DEVELOPMENT

BUDGET SUMMARY

The recommended budget reflects an overall decrease of 18.6% from the previous fiscal year's budget. The 16.8% decrease in personnel costs is attributed to two positions moving to the Manager's Office during FY25-26, along with turnover and vacancies. Operating costs decreased by 45.6% primarily because of budget moving out with the two positions that left the department.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,023,827	\$ 1,213,282	\$ 1,050,294	\$ 885,211	\$ 1,009,027	-16.8%
Operating Costs	72,149	77,799	122,147	108,835	42,296	-45.6%
Capital Outlay	27,488	-	-	-	-	N/A
Total	\$ 1,123,464	\$ 1,291,081	\$ 1,172,441	\$ 994,046	\$ 1,051,323	-18.6%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 1,113,124	\$ 1,291,081	\$ 1,172,441	\$ 994,046	\$ 1,051,323	-18.6%
Grants	10,340	-	-	-	-	N/A
Total	\$ 1,123,464	\$ 1,291,081	\$ 1,172,441	\$ 994,046	\$ 1,051,323	-18.6%

BUILDING & DEVELOPMENT SERVICES
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Director - Building & Development Services	1.00	1.00	1.00
Assistant Director - Building & Development Services	1.00	1.00	1.00
Code Compliance Officer	1.00	1.00	1.00
Building Operations Manager	1.00	1.00	1.00
Commercial Plans Reviewer	2.00	2.00	1.00
Residential Plans Reviewer	0.00	0.00	1.00
Code Compliance Manager	1.00	1.00	1.00
Development Technician	1.50	1.50	1.50
Administrative Assistant	1.00	1.00	1.00
Building Inspector (Levels I-III)	7.00	7.00	7.00
Permit Center Coordinator	1.00	1.00	1.00
Planning Manager	1.00	0.00	0.00
Zoning Plans Reviewer/Planner I	1.00	1.00	1.00
Building Inspector Apprentice	1.00	1.00	1.00
Sr. Code Compliance Officer	0.00	1.00	1.00
BDS Department Totals	20.50	20.50	20.50

BUILDING & DEVELOPMENT SERVICES BUDGET SUMMARY

The recommended budget for the Building & Development Services department reflects an overall expenditure increase of 7.4% from the 2025-26 budget. Personnel expenses increased 4.5% due to a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and added budget for skills-based pay, somewhat offset by turnover. Operating costs went up 32.8% mostly because of the replacement of three vehicles in the department.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,451,568	\$ 2,761,253	\$ 2,683,253	\$ 2,544,185	\$ 2,885,654	4.5%
Operating Costs	167,847	315,213	383,790	346,003	418,705	32.8%
Total	\$ 2,619,415	\$ 3,076,466	\$ 3,067,043	\$ 2,890,188	\$ 3,304,359	7.4%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 373,630	\$ 956,876	\$ 947,453	\$ 668,688	\$ 985,929	3.0%
Licenses/Permits/Fines	2,245,785	2,119,590	2,119,590	2,221,500	2,318,430	9.4%
Total	\$ 2,619,415	\$ 3,076,466	\$ 3,067,043	\$ 2,890,188	\$ 3,304,359	7.4%

**PUBLIC SAFETY
BUDGET SUMMARY**

Public Safety includes the Town's Police and Fire Departments.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Police	\$ 16,682,732	\$ 18,724,176	\$ 18,757,852	\$ 18,213,613	\$ 20,038,778	7.0%
Fire	11,510,750	12,551,521	12,817,261	12,541,935	14,315,558	14.1%
Total	\$ 28,193,482	\$ 31,275,697	\$ 31,575,113	\$ 30,755,548	\$ 34,354,336	9.8%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 25,995,562	\$ 29,079,674	\$ 29,346,732	\$ 28,543,051	\$ 32,192,640	10.7%
State-Shared Revenues	1,029,402	1,025,214	1,025,214	1,025,214	1,025,214	0.0%
Grants	99,117	6,000	38,358	76,551	-	-100.0%
Charges for Services	949,655	982,309	982,309	953,482	953,482	-2.9%
Licenses/Permits/Fines	118,826	181,500	181,500	156,500	182,000	0.3%
Other Revenues	920	1,000	1,000	750	1,000	0.0%
Total	\$ 28,193,482	\$ 31,275,697	\$ 31,575,113	\$ 30,755,548	\$ 34,354,336	9.8%

POLICE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Support Services			
Police Chief	1.00	1.00	1.00
Senior Legal Advisor	1.00	1.00	1.00
Police Assistant General Counsel	1.00	1.00	1.00
Crime Analyst	1.00	1.00	1.00
Crisis Division Manager	1.00	1.00	1.00
Crisis Counselor Coordinator	1.00	1.00	1.00
Crisis Counselor	5.00	7.00	7.00
Administrative Assistant	4.00	4.00	4.00
Management Analyst	1.00	1.00	1.00
Public Information Officer	1.00	1.00	1.00
Community Safety Specialist	1.00	1.00	1.00
Peer Support Specialist	1.00	1.00	1.00
Community Safety Division Manager	1.00	1.00	1.00
Community Safety Support Technician	0.00	2.00	2.00
Emergency Management Manager ¹	0.00	0.00	1.00
Deputy Emergency Management Manager ¹	0.00	0.00	1.00
Wellness Coordinator ²	0.00	0.00	1.00
Division Totals	20.00	24.00	27.00
Operations			
Assistant Police Chief	2.00	2.00	2.00
Police Captain	4.00	5.00	5.00
Police Lieutenant	9.00	8.00	8.00
Police Sergeant	11.00	12.00	12.00
Police Officer (Recruit, I, II, II, IV)	74.00	71.00	69.00
Forensic and Evidence Specialist	1.00	1.00	1.00
Community Safety Support Technician	0.00	0.00	1.00
Division Totals	101.00	99.00	98.00
Police Department Totals	121.00	123.00	125.00

¹ These positions moved from the Manager's Office starting in FY26-27.

² This position was grant-funded but became a Town-funded position starting in FY25-26.

POLICE
BUDGET SUMMARY

While the Police Department generates revenues from grants, charges for services, licenses, permits, and fines, the majority of revenues are not department specific.

Personnel expenditure increases are attributed to a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, impacts from the Pay & Classification Study, and two Emergency Management positions moving in from the Manager's Office. Operating budget increases are attributed to utility costs at the new PD facility; increased software, custodial, and computer costs; Emergency Management's operational budget moving in; and vehicle replacement.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 14,433,856	\$ 16,001,620	\$ 15,769,726	\$ 15,445,538	\$ 16,994,236	6.2%
Operating Costs	2,248,783	2,722,556	2,938,400	2,726,967	3,044,542	11.8%
Capital Outlay	93	-	49,726	41,108	-	N/A
Total	\$ 16,682,732	\$ 18,724,176	\$ 18,757,852	\$ 18,213,613	\$ 20,038,778	7.0%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 15,964,846	\$ 17,999,867	\$ 18,033,543	\$ 17,518,381	\$ 19,347,796	7.5%
Grants	14,871	6,000	6,000	6,000	-	-100.0%
Charges for Services	660,770	693,809	693,809	664,982	664,982	-4.2%
Licenses/Permits/Fines	41,325	23,500	23,500	23,500	25,000	6.4%
Other Revenues	920	1,000	1,000	750	1,000	0.0%
Total	\$ 16,682,732	\$ 18,724,176	\$ 18,757,852	\$ 18,213,613	\$ 20,038,778	7.0%

POLICE - Support Services Division
BUDGET SUMMARY

The recommended budget for the Support Services division reflects an overall expenditure increase of 21.7% from last year's budget. The 22.6% increase in personnel can be attributed to two Emergency Management positions moving in from the Manager's Office, a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and impacts from the Pay & Classification Study. There is a 19.5% increase in the operating budget due to increased costs in several areas, including utility costs associated with the new PD facility, software, contracted custodial services, and computer use charges, in addition to Emergency Management's operational costs moving in to the department.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,363,697	\$ 2,823,620	\$ 2,597,726	\$ 2,630,899	\$ 3,463,129	22.6%
Operating Costs	829,550	1,261,590	1,267,766	1,274,414	1,507,850	19.5%
Total	\$ 3,193,247	\$ 4,085,210	\$ 3,865,492	\$ 3,905,313	\$ 4,970,979	21.7%

POLICE - Operations Division
BUDGET SUMMARY

The Operations Division reflects a 3% increase from the 2025-26 budget. The 2.7% increase to the personnel budget is attributed to a 0.75% increase in retirement costs, a 10% insurance increase, a salary increase, and impacts from the Pay & Classification Study. This is somewhat offset by turnover. Operating costs increased 6.1% largely due to vehicle replacement.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 12,070,159	\$ 13,178,000	\$ 13,172,000	\$ 12,814,639	\$ 13,531,107	2.7%
Operating Costs	1,418,104	1,435,766	1,670,634	1,452,553	1,523,242	6.1%
Capital Outlay	93	-	49,726	41,108	-	N/A
Total	\$ 13,488,356	\$ 14,613,766	\$ 14,892,360	\$ 14,308,300	\$ 15,054,349	3.0%

POLICE - Special Events
BUDGET SUMMARY

The Special Events division tracks the cost of additional police presence at special events, including impromptu University of North Carolina student celebrations and Halloween. The recommended budget for 2026-27 has decreased 46.6%. This is due to realized savings stemming from successful efforts to contain the downtown Halloween celebration for the past several years.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Operating Costs	\$ 1,129	\$ 25,200	\$ -	\$ -	\$ 13,450	-46.6%
Total	\$ 1,129	\$ 25,200	\$ -	\$ -	\$ 13,450	-46.6%

FIRE DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Administration			
Fire Chief	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Division Totals	3.00	3.00	3.00
Emergency Operations			
Deputy Fire Chief	1.00	1.00	1.00
Battalion Chief	6.00	6.00	6.00
Fire Captain/Battalion Commander	18.00	18.00	19.00
Training Captain	1.00	1.00	0.00
Fire Logistics Officer	1.00	1.00	1.00
Assistant Fire Chief - Operations	1.00	1.00	1.00
Assistant Fire Chief - Training	1.00	1.00	1.00
Fire Engineer/Lieutenant	21.00	21.00	21.00
Firefighter (Recruit, I, II)	37.00	37.00	37.00
Division Totals	87.00	87.00	87.00
Life Safety			
Assistant Fire Chief - Life Safety/Fire Marshal	1.00	1.00	1.00
Fire Inspector (I, II)	2.00	2.00	3.00
Deputy Fire Marshal	2.00	2.00	2.00
Assistant Fire Marshal	1.00	1.00	1.00
Community Risk Reduction Specialist	1.00	1.00	0.00
Division Totals	7.00	7.00	7.00
Fire Department Totals	97.00	97.00	97.00

FIRE
BUDGET SUMMARY

While the Fire Department generates revenues from grants, charges for services, licenses, permits, and fines, the majority of revenues are not department specific.

Fire Department costs have increased 14.1% due to retirement, insurance, and salary increases, pay study implementation, as well as increases in fleet use charges and added budget for operational needs related to the increased costs of doing business. Capital outlay increased as we work towards the goal of creating a sustainable funding source for the replacement of fire apparatus and other capital needs.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 10,227,416	\$ 10,655,791	\$ 10,655,791	\$ 10,495,102	\$ 11,815,143	10.9%
Operating Costs	1,236,140	1,395,730	1,509,059	1,516,833	1,500,415	7.5%
Capital Outlay	47,194	500,000	652,411	530,000	1,000,000	100.0%
Total	\$ 11,510,750	\$ 12,551,521	\$ 12,817,261	\$ 12,541,935	\$ 14,315,558	14.1%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 10,030,716	\$ 11,079,807	\$ 11,288,639	\$ 11,024,670	\$ 12,844,844	15.9%
State-Shared Revenues	1,029,402	1,025,214	1,025,214	1,025,214	1,025,214	0.0%
Grants	84,246	-	56,908	70,551	-	N/A
Charges for Services	288,885	288,500	288,500	288,500	288,500	0.0%
Licenses/Permits/Fines	77,501	158,000	158,000	133,000	157,000	-0.6%
Total	\$ 11,510,750	\$ 12,551,521	\$ 12,817,261	\$ 12,541,935	\$ 14,315,558	14.1%

FIRE - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration division reflects an overall expenditure decrease of 2.7% from last year's budget. The slight increase in personnel costs is the result of retirement, insurance, and salary increases offset by staff turnover. The operating budget decreased 27.5% because of reductions to budgeted fleet use charges and vehicle fuel expenditures.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 370,169	\$ 459,524	\$ 459,524	\$ 438,630	\$ 464,450	1.1%
Operating Costs	92,585	69,358	72,556	44,206	50,289	-27.5%
Total	\$ 462,754	\$ 528,882	\$ 532,080	\$ 482,836	\$ 514,739	-2.7%

FIRE - Emergency Operations Division
BUDGET SUMMARY

The recommended budget for the Emergency Operations Division reflects a 15.8% increase overall. Personnel expenditures experienced an 11.4% increase due to a 0.75% retirement costs increase, a 10% increase in insurance costs, a salary increase, and the impacts of two Pay & Classification studies. Operating expenditures saw a 15% increase, reflecting increases in fleet use charges as well as added budget for operational needs related to the increased costs of doing business. Capital outlay expenditures increased as we work towards the goal of creating a sustainable funding source for the replacement of fire apparatus and other capital needs.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 9,117,526	\$ 9,310,868	\$ 9,310,868	\$ 9,167,155	\$ 10,373,502	11.4%
Operating Costs	1,088,755	1,191,811	1,303,226	1,341,147	1,370,583	15.0%
Capital Outlay	47,194	500,000	652,411	530,000	1,000,000	100.0%
Total	\$ 10,253,475	\$ 11,002,679	\$ 11,266,505	\$ 11,038,302	\$ 12,744,085	15.8%

FIRE - Life Safety Division
BUDGET SUMMARY

The recommended budget for the Life Safety division reflects an overall expenditure increase of 3.6% from the 2025-26 budget. The 10.4% increase in personnel is due to a 0.75% retirement costs increase, a 10% increase in insurance costs, a salary increase, turnover, and impacts from the Pay & Classification Study. The operating budget went down 40.9% primarily because no vehicle replacement is budgeted for the coming fiscal year.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 739,721	\$ 885,399	\$ 885,399	\$ 889,317	\$ 977,191	10.4%
Operating Costs	54,800	134,561	133,277	131,480	79,543	-40.9%
Total	\$ 794,521	\$ 1,019,960	\$ 1,018,676	\$ 1,020,797	\$ 1,056,734	3.6%

**LEISURE
BUDGET SUMMARY**

Leisure includes the Parks & Recreation Department and the Chapel Hill Public Library.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Parks and Recreation	\$ 8,500,018	\$ 9,694,655	\$ 9,772,467	\$ 9,448,071	\$ 9,881,783	1.9%
Library	4,560,044	4,982,545	4,989,320	4,985,301	5,266,584	5.7%
Total	\$ 13,060,062	\$ 14,677,200	\$ 14,761,787	\$ 14,433,372	\$ 15,148,367	3.2%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 10,761,231	\$ 12,283,577	\$ 12,354,987	\$ 12,101,115	\$ 12,588,489	2.5%
Grants	744,648	744,083	749,083	749,988	744,988	0.1%
Charges for Services	1,459,079	1,570,540	1,570,540	1,514,269	1,597,265	1.7%
Other Revenues	50,104	34,000	42,177	23,000	172,625	407.7%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 13,060,062	\$ 14,677,200	\$ 14,761,787	\$ 14,433,372	\$ 15,148,367	3.2%

PARKS & RECREATION DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Administration			
Director - Parks & Recreation	1.00	1.00	1.00
Assistant Director - Recreation	1.00	1.00	1.00
Senior Parks Operations Manager	1.00	1.00	1.00
Recreation Manager II	1.00	1.00	1.00
Recreation Manager	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Administrative Services Manager	1.00	1.00	1.00
Marketing & Resource Development Administrator	1.00	1.00	1.00
Division Totals	<u>10.00</u>	<u>10.00</u>	<u>10.00</u>
Landscape Services and Park Maintenance			
Parks Maintenance Manager	1.00	1.00	1.00
Parks Maintenance Supervisor	3.00	3.00	3.00
Parks Outreach Specialist	1.00	1.00	1.00
Arborist	1.00	1.00	1.00
Principial Planner	1.00	1.00	1.00
Assistant Arborist	1.00	1.00	1.00
Heavy Equipment Operator	1.00	1.00	2.00
Groundskeeper/Crew Leader ¹	16.00	16.00	15.00
Administrative Coordinator	1.00	1.00	1.00
Division Totals	<u>26.00</u>	<u>26.00</u>	<u>26.00</u>
Athletics			
Recreation Manager	1.00	1.00	1.00
Specialized Recreation Coordinator	2.00	2.00	2.00
Recreation Specialist	1.50	1.50	1.50
Division Totals	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>
Community Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	0.50	0.50	0.50
Recreation Assistant	2.00	2.00	2.00
Division Totals	<u>4.50</u>	<u>4.50</u>	<u>4.50</u>

continued

PARKS & RECREATION DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Aquatics Center			
Recreation Manager	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Aquatics Specialist	3.00	3.00	3.00
Division Totals	5.00	5.00	5.00
Hargraves Center			
Recreation Supervisor	1.00	1.00	1.00
Assistant Recreation Supervisor	1.00	1.00	1.00
Recreation Specialist	1.80	1.80	1.80
Recreation Assistant	1.00	1.00	1.00
Division Totals	4.80	4.80	4.80
Parks & Recreation Department Totals	54.80	54.80	54.80

¹ One additional Groundskeeper position is funded by the Downtown Service District.

PARKS & RECREATION

BUDGET SUMMARY

The recommended budget for Parks & Recreation has increased by 1.9% overall. The personnel budget includes a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase. The 3.9% decrease in operations relates to a smaller vehicle replacement budget in FY27 and reduced electricity 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	\$ 6,441,466	\$ 7,085,433	\$ 7,057,433	\$ 6,903,644	\$ 7,374,778	4.1%
Operating Costs	2,046,917	2,609,222	2,698,523	2,527,916	2,507,005	-3.9%
Capital Outlay	11,635	-	16,511	16,511	-	N/A
Total	\$ 8,500,018	\$ 9,694,655	\$ 9,772,467	\$ 9,448,071	\$ 9,881,783	1.9%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Revenues	\$ 6,989,299	\$ 8,091,855	\$ 8,156,490	\$ 7,895,042	\$ 8,102,533	0.1%
Grants	83,760	83,760	88,760	88,760	83,760	0.0%
Charges for Services	1,389,673	1,498,540	1,498,540	1,450,269	1,531,865	2.2%
Other Revenues	37,286	20,500	28,677	14,000	163,625	698.2%
Total	\$ 8,500,018	\$ 9,694,655	\$ 9,772,467	\$ 9,448,071	\$ 9,881,783	1.9%

PARKS & RECREATION - Administration Division
BUDGET SUMMARY

The recommended budget for the Administration division reflects an overall expenditure increase of 5.5% from the 2025-26 budget. The 6.3% increase in personnel costs is attributed to a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, and impacts from the Pay & Classification Study. The operating budget has an increase of 2.5% mostly due to more budget for vehicle replacement compared to the previous year.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,303,099	\$ 1,417,336	\$ 1,417,336	\$ 1,387,053	\$ 1,506,629	6.3%
Operating Costs	361,001	367,662	406,980	365,585	376,989	2.5%
Total	\$ 1,664,100	\$ 1,784,998	\$ 1,824,316	\$ 1,752,638	\$ 1,883,618	5.5%

PARKS & RECREATION - Parks Maintenance
BUDGET SUMMARY

The recommended budget for the Parks Maintenance division reflects an overall expenditure decrease of 1% from last year's budget. The 4.3% increase in personnel costs is due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase, which is somewhat offset by turnover. Operating costs decreased 12.9% due to less budget for vehicle replacement, reduced fleet use charges, and reduced fuel 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	\$ 2,219,417	\$ 2,443,123	\$ 2,415,123	\$ 2,378,550	\$ 2,547,402	4.3%
Operating Costs	745,376	1,086,632	1,128,035	1,032,678	946,025	-12.9%
Capital Outlay	11,635	-	16,511	16,511	-	N/A
Total	\$ 2,976,428	\$ 3,529,755	\$ 3,559,669	\$ 3,427,739	\$ 3,493,427	-1.0%

PARKS & RECREATION - Athletics
BUDGET SUMMARY

The recommended budget for the Athletics division reflects an overall expenditure increase of 8.1% from the 2025-26 budget. The 3.3% increase in personnel costs reflects a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase, which is slightly offset by a reduction in workers compensation costs. The 15.2% increase in operating costs is attributed to added budget for athletic field maintenance and turf management, as well as an increase in electricity and water & sewer 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	\$ 576,434	\$ 669,678	\$ 669,678	\$ 671,229	\$ 691,780	3.3%
Operating Costs	388,896	448,175	457,120	471,560	516,203	15.2%
Total	\$ 965,330	\$ 1,117,853	\$ 1,126,798	\$ 1,142,789	\$ 1,207,983	8.1%

PARKS & RECREATION - Community Center
BUDGET SUMMARY

The recommended budget for the Community Center division reflects an overall expenditure decrease of 1.3% from the 2025-26 budget. The 2.4% increase in personnel costs reflects increased retirement and insurance costs and a salary increase, offset by a reduction in workers compensation costs. Operating costs decreased by 18.7% due to reduced electricity costs.

EXPENDITURES

	2024-25	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	2025-26
Personnel	\$ 621,363	\$ 681,963	\$ 681,963	\$ 675,747	\$ 698,343	2.4%
Operating Costs	125,413	147,170	151,265	119,058	119,620	-18.7%
Total	\$ 746,776	\$ 829,133	\$ 833,228	\$ 794,805	\$ 817,963	-1.3%

PARKS & RECREATION - Aquatics
BUDGET SUMMARY

The recommended budget for the Aquatics division reflects an overall expenditure increase of 0.5% from last year's budget. The 2% increase in personnel costs is due to retirement, insurance, and salary increases, which are somewhat offset due to turnover and reduced workers compensation costs. The 3.7% drop in operating costs can be mostly attributed to decreased electricity 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	\$ 891,095	\$ 1,050,982	\$ 1,050,982	\$ 955,099	\$ 1,072,146	2.0%
Operating Costs	275,100	379,525	374,045	358,522	365,474	-3.7%
Total	\$ 1,166,195	\$ 1,430,507	\$ 1,425,027	\$ 1,313,621	\$ 1,437,620	0.5%

PARKS & RECREATION - Hargraves
BUDGET SUMMARY

The recommended budget for the Hargraves division reflects an overall expenditure increase of 3.9% from the 2025-26 budget. The 4.4% increase in personnel costs reflects a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase, which is slightly offset by a reduction in workers compensation costs. Operating costs increased by 1.5% due to slightly higher utility 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	\$ 830,058	\$ 822,351	\$ 822,351	\$ 835,966	\$ 858,478	4.4%
Operating Costs	151,131	180,058	181,078	180,513	182,694	1.5%
Total	\$ 981,189	\$ 1,002,409	\$ 1,003,429	\$ 1,016,479	\$ 1,041,172	3.9%

LIBRARY DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25	2025-26	2026-27
	ADOPTED	ADOPTED	RECOMMENDED
Library			
Director - Library and CA&C	1.00	1.00	1.00
Assistant Director - Library and CA&C	1.00	1.00	1.00
Division Manager - Acquisitions & Collections	1.00	1.00	1.00
Division Manager - Adult Services	1.00	1.00	1.00
Division Manager - Youth Services	1.00	1.00	1.00
Community History Coordinator	1.00	1.00	1.00
Youth Services Supervisor	1.00	1.00	1.00
Adult Services Supervisor	1.00	1.00	1.00
Library Accounts Supervisor	1.00	1.00	1.00
Administrative Services Manager	1.00	1.00	1.00
Library Associate I	12.03	12.03	13.00
Library Associate II	3.50	3.50	1.00
Library Technician	3.00	3.00	5.50
Library Systems Coordinator	1.00	1.00	1.00
Marketing & Communications Coordinator	1.00	1.00	1.00
Division Totals	<u>30.53</u>	<u>30.53</u>	<u>31.50</u>
Community Arts & Culture			
Public Art Coordinator	1.00	1.00	1.00
Marketing & Communications Coordinator	1.00	1.00	1.00
Special Events Coordinator	1.00	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00
Division Totals	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>
Library Department Totals	<u><u>34.53</u></u>	<u><u>34.53</u></u>	<u><u>35.50</u></u>

LIBRARY

BUDGET SUMMARY

The recommended budget for the Library reflects an overall expenditure increase of 5.7% from the 2025-26 budget. The 7.7% increase in personnel is the result of a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, impacts from the Pay & Classification Study, and a new Library Associate position. The operating budget decreased 0.6% mainly due to reduced electricity costs.

Library revenues reflect support from Orange County in the amount of \$621,323. The transfer from the Library Gift Fund remains at \$45,000 in 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
Personnel	\$ 3,601,084	\$ 3,902,678	\$ 3,897,453	\$ 3,909,826	\$ 4,192,719	7.4%
Operating Costs	958,960	1,079,867	1,091,867	1,075,475	1,073,865	-0.6%
Total	\$ 4,560,044	\$ 4,982,545	\$ 4,989,320	\$ 4,985,301	\$ 5,266,584	5.7%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
General Fund	\$ 3,771,932	\$ 4,191,722	\$ 4,198,497	\$ 4,206,073	\$ 4,485,956	7.0%
Grants	660,888	660,323	660,323	661,228	661,228	0.1%
Charges for Services	69,406	72,000	72,000	64,000	65,400	-9.2%
Other Revenues	12,817	13,500	13,500	9,000	9,000	-33.3%
Transfers/Other Sources	45,000	45,000	45,000	45,000	45,000	0.0%
Total	\$ 4,560,044	\$ 4,982,545	\$ 4,989,320	\$ 4,985,301	\$ 5,266,584	5.7%

DEBT FUND

As of March 31, 2026, the Town had about \$119.3 million in debt outstanding.

The Town issued \$13.83 million in G.O. bonds in June 2025 for affordable housing, public facilities, streets & sidewalks, parks & recreation, and stormwater.

After the first issuance in June 2025, there is \$33.4 million remaining from the November 2024 referendum.

Major Revenue Sources

The chief revenue source for the Debt Fund is the dedicated property tax rate. The proposed tax rate for FY 2027 remains unchanged at 6.6 cents.

Total Debt Fund tax revenues are expected to be \$9,329,000.

The Debt Fund will receive a transfer from the General Fund of \$445,100 for the Ephesus Fordham District Tax Increment Financing (TIF). A TIF was used to fund public road improvements in the Ephesus Fordham (Blue Hill) District. The transfer represents the increase in the General Fund property taxes generated in the district over the FY2013-14 base assessment year.

As a result of favorable interest rates, interest income is estimated to be \$675,000.

The fund is balanced with a planned appropriation of fund balance of \$403,879.

		Long-Term Debt March 31, 2026
Governmental Debt		
General obligation debt	\$	46,726,000
Limited Obligation Bonds		8,272,000
Installment debt		2,572,000
Separation allowance		7,539,000
Compensated absences		<u>3,691,000</u>
Total	\$	<u>68,800,000</u>
Proprietary Fund Debt		
Enterprise Funds		
General obligation debt	\$	1,755,000
Limited Obligation Bonds		40,430,000
Installment debt		7,426,000
Compensated absences		<u>857,000</u>
Total	\$	<u>50,468,000</u>

DEBT FUND

Major Expenditures

Debt service payments due in FY 2027 total \$8,895,111, between principal, interest, and lease financing.

A transfer to the Parking Fund of \$1,957,868 in FY 2027 represents the portion of the 2021 and 2024 Limited Obligation Bonds (LOBs) used to pay for the debt service on the new East Rosemary Parking Deck during construction. The deck opened in fall 2024 and the plan is to return these funds once sufficient revenue is generated.

DEBT SERVICE FUND
BUDGET SUMMARY

The Debt Service Fund is used to account for debt payments on the Town's general obligation bonds issued for capital improvement projects and on the limited obligation bonds. In FY 2008-09, a portion of the property tax rate was allocated to debt service payments to pay the Town's debt service. Due to the revaluation, the FY 2026-27 budget sees the Debt Service Fund tax rate reduced to 6.6 cents.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Principal Payments	\$ 6,392,000	\$ 4,910,000	\$ 4,910,000	\$ 5,445,000	\$ 5,325,000	8.5%
Interest Expense	2,117,677	1,899,429	1,899,429	2,206,290	2,171,171	14.3%
Bond Issuance Costs	49,438	-	-	-	-	N/A
Lease Financing	-	-	797,442	797,442	1,398,940	N/A
Transfer to Parking Fund	431,121	1,957,868	1,957,868	1,957,868	1,957,868	0.0%
Contribution to Reserve	1,416,552	1,016,803	219,361	367,500	-	-100.0%
Total	\$ 10,406,788	\$ 9,784,100	\$ 9,784,100	\$ 10,774,100	\$ 10,852,979	10.9%

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	\$ 8,643,506	\$ 8,739,000	\$ 8,739,000	\$ 9,229,000	\$ 9,329,000	6.8%
Transfer from General Fund	445,100	445,100	445,100	445,100	445,100	0.0%
Interest Income	1,318,182	600,000	600,000	1,100,000	675,000	12.5%
Appropriated Fund Balance	-	-	-	-	403,879	N/A
Total	\$ 10,406,788	\$ 9,784,100	\$ 9,784,100	\$ 10,774,100	\$ 10,852,979	10.9%

TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro and the University of North Carolina. The two towns and the university share annual operating costs of the transit system on a contractual basis. In 2001, the transit system initiated fare free services, eliminating fare box and pass sale revenues previously collected for the basic system. (One exception is the Tar Heel Express service provided for athletic events and other special events at the University.)

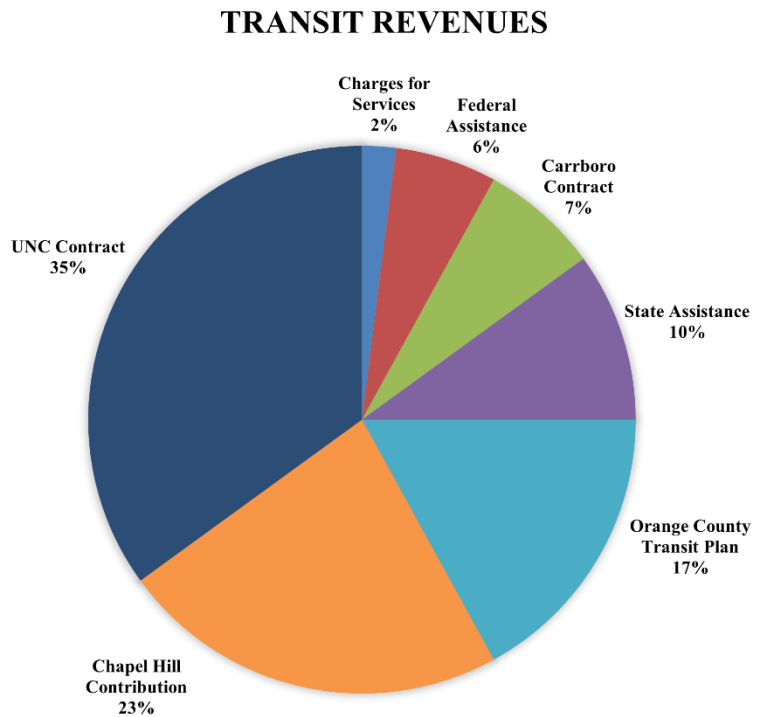
The recommended budget for the Transit Fund for fiscal year 2026-27 totals about \$35.9 million, a decrease of 1.5% from 2025-26. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2026-27. Please note that due to the partnership between the Town of Chapel Hill, Town of Carrboro, and the University of North Carolina, some financial aspects are still being discussed by the partners and are subject to change.

Federal Operating Assistance

The Transit system receives an operating assistance allocation each year from the federal government based on a variety of factors and funding formulas. We estimate federal funding for operations to remain level at \$2.3 million in FY26-27. No federal operating grants are anticipated at this time. Grants will be sought for 2026-27 as opportunities arise and will be added to the budget through amendment if awarded.

State Operating Assistance

The Transit system also receives an operating assistance allocation each year from the State based on a formula involving various operating statistics for the system. This allocation is anticipated to increase slightly in 2026-27 to \$3.5 million.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

University Contract

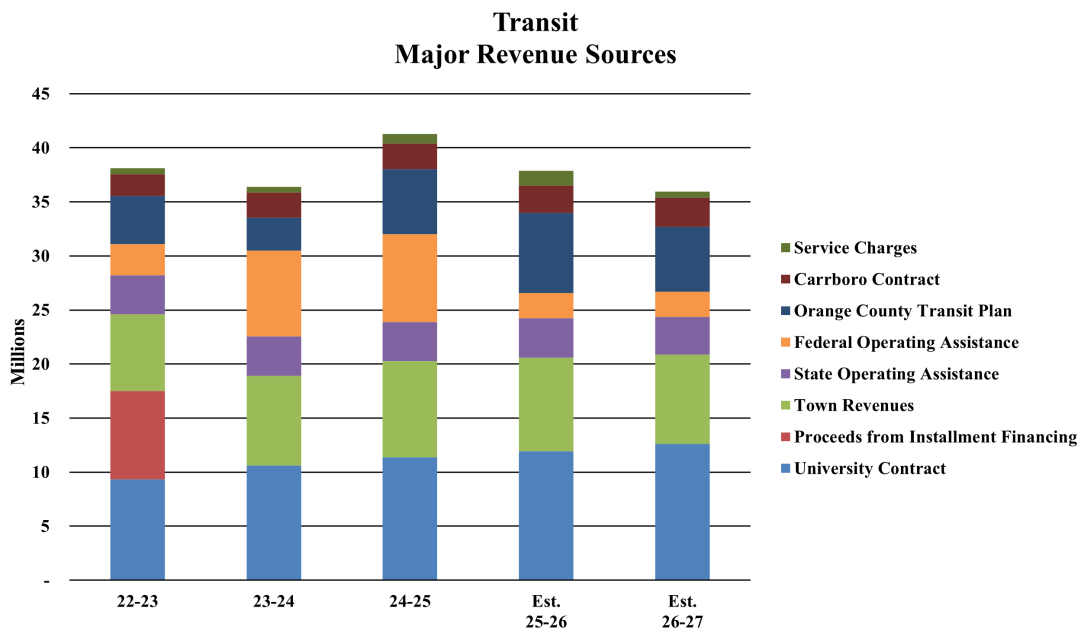
The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is based on cost sharing arrangements among the Town, the University, and Carrboro, as agreed to in an annual contract. The University’s contracted share was about \$11.4 million in 2024-25 and \$11.9 million in 2025-26. UNC’s allocation for 2026-27 is up to \$12.6 million.

Carrboro Contract

The Town of Carrboro likewise contracts with the Town for transit service with costs also based on the Memorandum of Understanding. Carrboro’s cost for 2025-26 was about \$2.5 million and the budget for 2026-27 increased to \$2.7 million based on the funding formula.

Town Revenues

The Town’s share of cost for the Transit system is funded primarily by a property tax levy for transit. The cost share in the recommended budget for the Transit Fund in fiscal year 2026-27 is about \$8.26 million. Also included in Town revenues are interest income and \$450,000 for vehicle license fees.



TRANSIT FUND

Major Revenue Sources - Descriptions and Estimates

Orange County Transit Plan

The 2026-27 budget includes operating and capital funds from the Orange County Transit Plan, which was approved by the Orange County Board of Commissioners and the GoTriangle Board of Trustees in April 2017. This funding is utilized locally for capital projects, including the North-South Bus Rapid Transit (NSBRT) project, and is also put toward previous and future service expansions. Based on actual revenues received over the past couple of years, revenues are budgeted to decrease by 15.9% from \$7.2 million in 2025-26 to just over \$6 million in 2026-27.

Charges for Service

The recommended budget for 2026-27 includes revenue from fees for use of Town park and ride lots, estimated to remain level at \$32,000. Another revenue source in this category, the bus route between Chapel Hill and Hillsborough that Chapel Hill Transit formerly operated for GoTriangle, is no longer in the budget for FY27.

Other revenues expected for the system include \$300,000 in fares for the Tar Heel Express service and \$150,000 in bus advertising revenue, both of which are decreases from the previous fiscal year's budget based on actual revenues received in the past couple of years.

Fund Balance

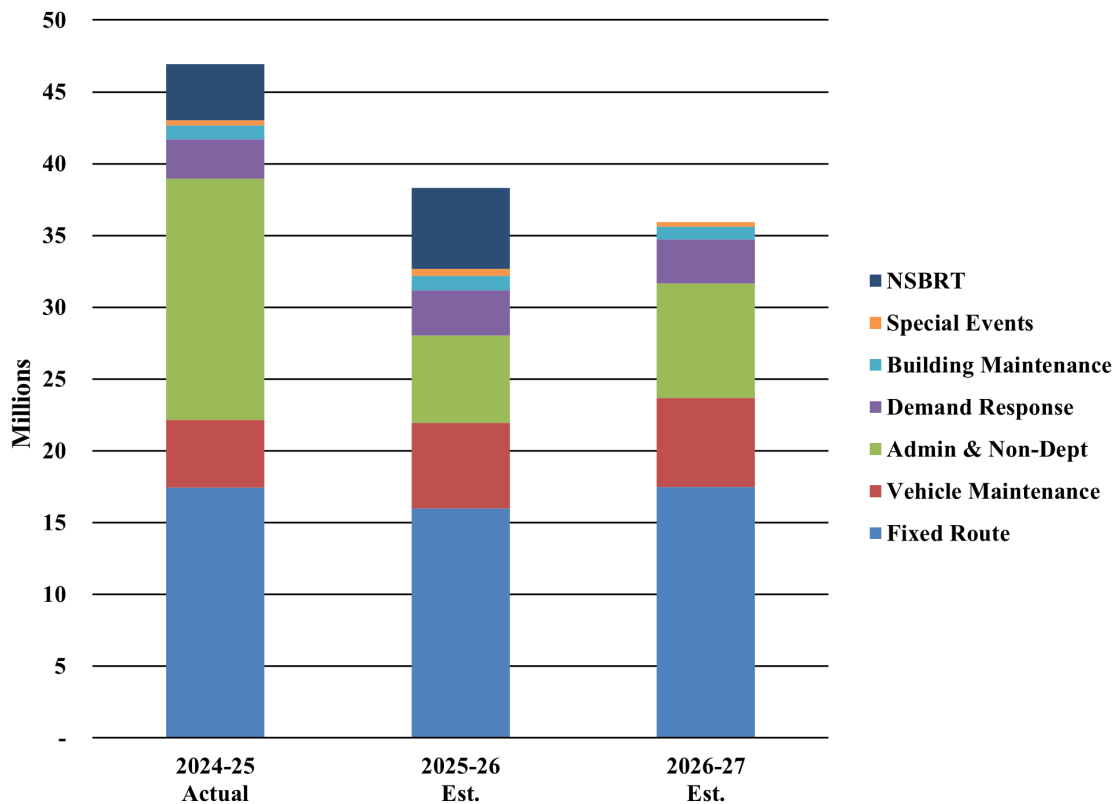
The 2026-27 recommended budget is balanced with no appropriation of fund balance.

TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The recommended budget for Transit for 2026-27 continues fare-free services for fixed routes in the system and totals \$35.9 million. Major expenditures of the system consist primarily of personnel, operating, and maintenance costs for a planned fleet of 99 buses, 20 cutaway EZ Rider vehicles, 20 operations support vehicles, and 4 maintenance service trucks that provide transit service to the entire community. Operational costs total about \$20.9 million and Maintenance costs total about \$7.1 million.

Transit Expenses



Expenditures for 2026-27 include a 4% of market pay increase, a 10% increase in insurance costs, and a 0.75% retirement increase. There is \$184,800 budgeted for other post-employment benefits (OPEB).

TRANSIT DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Administration			
Director - Transit	1.00	1.00	1.00
Deputy Director - Transit Operations	1.00	1.00	1.00
Assistant Director - Transit Admin	1.00	1.00	1.00
Administrative Services Manager	1.00	1.00	1.00
Transit Community Outreach Manager	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Grants Manager	1.00	1.00	1.00
Transit Development Manager I	1.00	1.00	1.00
Transit Development Manager II	1.00	1.00	1.00
Administrative Assistant	2.00	1.00	1.00
Human Resource Generalist	1.00	1.00	1.00
Transit Planning Manager	1.00	1.00	1.00
Payroll Specialist	1.00	1.00	1.00
Information Technology Analyst	1.00	1.00	1.00
Transit & Commute Solutions Comms Specialist ¹	1.00	1.00	1.00
Transit Planner I	1.00	1.00	1.00
Administrative Coordinator	0.00	1.00	1.00
Human Resource Assistant	0.00	1.00	1.00
Quality Assurance/Quality Control Analyst	0.00	1.00	1.00
Division Totals	17.00	19.00	19.00
Operations			
Transit Safety Officer	1.00	1.00	1.00
Transit Development Manager I	1.00	1.00	1.00
Lead Transit Supervisor	1.00	1.00	1.00
Transit Crisis Counselor	1.00	1.00	1.00
Transit Training Manager	1.00	1.00	1.00
Transit Operations Manager	1.00	1.00	1.00
Deputy Operations Manager - Fixed Route	1.00	1.00	1.00
Assistant Operations Manager - Demand Response	1.00	1.00	1.00
Transit Supervisor	10.00	10.00	10.00
Transit Operator - Demand Response	17.00	15.00	15.00
Transit Operator - Fixed Route	118.66	120.66	120.66
Service Attendant	1.00	0.00	0.00
Transit Safety & Training Specialist	4.00	4.00	4.00
Administrative Assistant	1.00	1.00	1.00
Division Totals	159.66	158.66	158.66

continued

TRANSIT DEPARTMENT
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Maintenance			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	1.00	1.00	1.00
Bus Technician Supervisor	3.00	3.00	3.00
Bus Technician (I, II, Senior)	15.00	15.00	15.00
Bus Service Technician	3.00	3.00	3.00
Administrative Coordinator	1.00	1.00	1.00
Parts Supervisor	1.00	1.00	1.00
Parts Clerk	2.00	2.00	2.00
Service Attendant	7.00	7.00	7.00
Bus Shelter & Amenities Attendant	1.00	1.00	1.00
Division Totals	35.00	35.00	35.00
Transit Department Totals	211.66	212.66	212.66

¹ This position is grant-funded.

TRANSIT

BUDGET SUMMARY

The budget for the Transit Department continues fare-free service. Federal assistance has remained flat and state assistance has gone up slightly for FY26-27, while partner revenues from the Town of Carrboro and the University of North Carolina at Chapel Hill have increased. Overall, revenues in the 2026-27 recommended budget have decreased slightly due to no new funding from the Orange County Transit Plan for the NSBRT project and due to reduced charges for services, as Go Triangle now operates the bus route between Chapel Hill and Hillsborough. Cost increases include a 0.75% retirement increase, a 10% insurance increase, a pay increase, and increased budget for vehicles, fuel, and demand response software.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Admin & Non-Dept	\$ 16,782,162	\$ 6,025,407	\$ 12,219,048	\$ 6,079,973	\$ 7,982,521	32.5%
Grant-Funded	-	-	548,000	-	-	N/A
NSBRT Project	3,899,002	4,000,000	14,932,164	5,663,361	-	-100.0%
Fixed Route	17,449,038	16,494,122	17,255,768	15,980,868	17,478,707	6.0%
Demand Response	2,757,608	2,775,328	3,685,616	3,110,818	3,060,445	10.3%
Special Events	365,329	318,125	340,125	469,357	318,932	0.3%
Vehicle Maintenance	4,710,673	5,968,547	5,929,645	5,988,899	6,193,723	3.8%
Building Maintenance	967,516	900,446	1,087,324	1,031,715	911,818	1.3%
Total	\$ 46,931,328	\$ 36,481,975	\$ 55,997,690	\$ 38,324,991	\$ 35,946,146	-1.5%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Charges for Services	\$ 867,274	\$ 1,320,000	\$ 1,486,422	\$ 1,381,000	\$ 574,000	-56.5%
Federal Assistance	-	2,300,000	2,300,000	2,300,000	2,300,000	0.0%
Federal Ops Grants	8,134,600	52,000	275,000	52,000	-	-100.0%
State Assistance	3,631,704	3,400,000	3,418,991	3,650,695	3,500,000	2.9%
Orange County Transit Plan	6,000,524	7,159,936	7,409,936	7,409,936	6,018,053	-15.9%
UNC Contract	11,390,444	11,952,960	11,952,960	11,952,960	12,624,606	5.6%
Carrboro Contract	2,368,794	2,514,824	2,514,824	2,514,824	2,673,487	6.3%
Chapel Hill Revenues	8,878,967	7,782,255	7,782,255	8,632,255	8,256,000	6.1%
Appropriated Fund Balance	5,659,021	-	18,857,302	431,321	-	N/A
Total	\$ 46,931,328	\$ 36,481,975	\$ 55,997,690	\$ 38,324,991	\$ 35,946,146	-1.5%

***TRANSIT - Administration and Non-Departmental
BUDGET SUMMARY***

The recommended budget for 2026-27 includes a 32.5% overall increase. Personnel has increased by 3.3% due to a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase, somewhat offset by vacancies and turnover.

Operating costs decreased by 4.3% mostly due to the dissolution of the Wellness Clinic and its associated costs. Capital Outlay increased due to funding from the Orange County Transit Plan that will be used to purchase vehicles.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,262,361	\$ 2,668,392	\$ 2,689,494	\$ 2,472,825	\$ 2,756,192	3.3%
Operating Costs	2,575,715	2,526,015	2,914,469	2,768,233	2,417,344	-4.3%
Transfer to						
Capital Grant	2,995,447	-	1,178,250	-	-	N/A
Capital Outlay	8,948,639	831,000	831,000	838,915	2,808,985	238.0%
Contribution to Reserve	-	-	4,605,835	-	-	N/A
Total	\$ 16,782,162	\$ 6,025,407	\$ 12,219,048	\$ 6,079,973	\$ 7,982,521	32.5%

TRANSIT - Grants
BUDGET SUMMARY

As of the time of the recommended budget, there were no planned grant related expenditures for 2026-27.

EXPENDITURES

	2024-25	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	2025-26
Personnel	\$ -	\$ -	\$ 227,490	\$ -	\$ -	N/A
Operating Costs	-	-	320,510	-	-	N/A
Total	\$ -	\$ -	\$ 548,000	\$ -	\$ -	N/A

TRANSIT - North-South Bus Rapid Transit Project
BUDGET SUMMARY

The North-South Bus Rapid Transit project (NSBRT) is the planned 8.2-mile line along one of the town’s busiest and most vital thoroughfares. As the region’s first bus rapid transit system, NSBRT will connect employees, students, residents, and visitors to their regional connections and local destinations.

The recommended budget for 2026-27 does not add any new funding. The Orange County Transit Plan is not providing additional monies due to the end of the three year funding period. Existing funds will be used for planning and design services, property acquisition, and construction management.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Operating Costs	3,899,002	4,000,000	14,932,164	5,663,361	-	-100.0%
Total	\$ 3,899,002	\$ 4,000,000	\$ 14,932,164	\$ 5,663,361	\$ -	-100.0%

TRANSIT - Fixed Route
BUDGET SUMMARY

The recommended budget reflects a 6% increase in overall costs. Personnel is up 4.6% due to a 0.75% increase in retirement costs, a 10% insurance increase, and a salary increase. Operating expenses increased by 10.1% primarily due to increased budget for contracted services and fuel in FY26-27.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 11,106,249	\$ 12,454,634	\$ 12,348,056	\$ 11,816,963	\$ 13,030,160	4.6%
Operating Costs	4,595,232	4,039,488	4,767,712	4,023,905	4,448,547	10.1%
Capital Outlay	1,747,557	-	140,000	140,000	-	N/A
Total	\$ 17,449,038	\$ 16,494,122	\$ 17,255,768	\$ 15,980,868	\$ 17,478,707	6.0%

TRANSIT - Demand Response
BUDGET SUMMARY

The recommended budget for the Demand Response division reflects a 10.3% increase over the 2025-26 budget. Personnel expenditures increased by 5.3% due to increases to retirement and insurance costs, along with a salary increase. Operating expenses increased by 25.8% due to a needed upgrade to demand response software and increased budget for fuel.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 2,176,728	\$ 2,098,705	\$ 2,098,705	\$ 2,224,860	\$ 2,209,013	5.3%
Operating Costs	580,880	676,623	885,367	684,238	851,432	25.8%
Capital Outlay	-	-	701,544	201,720	-	N/A
Total	\$ 2,757,608	\$ 2,775,328	\$ 3,685,616	\$ 3,110,818	\$ 3,060,445	10.3%

TRANSIT - Tarheel Express / Special Events
BUDGET SUMMARY

The recommended budget for Tarheel Express & Special Events in 2026-27 remains relatively flat compared to the previous year.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 293,435	\$ 235,791	\$ 235,791	\$ 354,526	\$ 236,598	0.3%
Operating Costs	71,894	82,334	104,334	114,831	82,334	0.0%
Total	\$ 365,329	\$ 318,125	\$ 340,125	\$ 469,357	\$ 318,932	0.3%

TRANSIT - Vehicle Maintenance
BUDGET SUMMARY

The recommended budget for 2026-27 represents a 3.8% increase in expenditures from the 2025-26 fiscal year. The 6.6% increase in personnel costs is due to a 0.75% increase in retirement costs, a 10% insurance increase, a salary increase, impacts from the Pay Study, and turnover. Operating costs decreased by 0.6% largely due to decreased budget for software in the division.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 3,075,453	\$ 3,608,986	\$ 3,608,986	\$ 3,477,458	\$ 3,848,430	6.6%
Operating Costs	1,599,555	2,339,561	2,212,459	2,403,241	2,325,293	-0.6%
Capital Outlay	35,665	20,000	108,200	108,200	20,000	0.0%
Total	\$ 4,710,673	\$ 5,968,547	\$ 5,929,645	\$ 5,988,899	\$ 6,193,723	3.8%

TRANSIT - Building Maintenance
BUDGET SUMMARY

The recommended budget for Transit's Building Maintenance division reflects a 1.3% increase overall. The 20% increase in personnel expenditures is related to new retiree medical expenses. The operating expenditures increased by 1.2% because of slightly higher utility 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	\$ 2,763	\$ 3,000	\$ 3,000	\$ 3,486	\$ 3,600	20.0%
Operating Costs	954,898	897,446	1,084,324	1,028,229	908,218	1.2%
Capital Outlay	9,855	-	-	-	-	N/A
Total	\$ 967,516	\$ 900,446	\$ 1,087,324	\$ 1,031,715	\$ 911,818	1.3%

TRANSIT CAPITAL RESERVE BUDGET SUMMARY

The Transit Capital Reserve Fund is intended to accumulate funding to make capital purchases and to meet matching requirements for capital grants for replacement buses and other equipment. Matching funds for 2026-27 are estimates for grants historically received each year, but not yet awarded.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Contribution to Capital Grant Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
	45,355	-	-	-	-	N/A
Total	\$ 45,355	\$ -	\$ -	\$ -	\$ -	N/A

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 Appropriated Fund Balance	\$ 45,355	\$ -	\$ -	\$ -	\$ -	N/A
	-	-	-	-	-	N/A
Total	\$ 45,355	\$ -	\$ -	\$ -	\$ -	N/A

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

Transit capital and planning grants awarded by the Federal Transit Administration are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as grant awards are received. Five current project ordinances in the Transit Department are shown below:

2015-2016 Capital Grant 5339

The project ordinance for the fiscal year 2015-2016 Section 5339 Transit Capital Grant was executed on May 14, 2018. The funds will be used to expand transit’s employee/visitor parking lot, install a new security gate to the bus fleet yard, and fund a preliminary review and analysis of constructing a solar canopy over the bus yard. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2027
2015-16 Transit Capital Grant	\$534,037	\$66,231

2024 Area of Persistent Poverty Grant

The project ordinance for the fiscal year 2024-2025 is for the planning of a micro-transit system.

	Project Budget	Estimated Expenditures Through June 30, 2027
2024 Planning Grant	\$437,500	\$304,667

FY19-FY20 Capital Grant

The project ordinance for the fiscal year 2021 Capital Investment plan covering: Automatic Vehicle Locator upgrades, Automatic Passenger Counter upgrades, and Radio System upgrades.

	Project Budget	Estimated Expenditures Through June 30, 2027
2020 Transit Capital Grant	\$657,654	\$230,058

FY22 5339

This project ordinance for fiscal year 2022 is for the purchase of three (3) 20' Light Transit Vehicles (LTV) for the Demand Response Fleet.

	Project Budget	Estimated Expenditures Through June 30, 2027
2022 Transit Capital Grant	\$623,820	\$49,424

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

FY23 5339a

This project ordinance for fiscal year 2023 is for the purchase of an architecture and engineering firm to provide up to 100% completion of construction plans for an expanded fleet yard and training center.

	Project Budget	Estimated Expenditures Through June 30, 2027
2022 Transit Capital Grant	\$298,324	\$238,659

STORMWATER MANAGEMENT FUND

Major Revenue Sources – Descriptions and Estimates

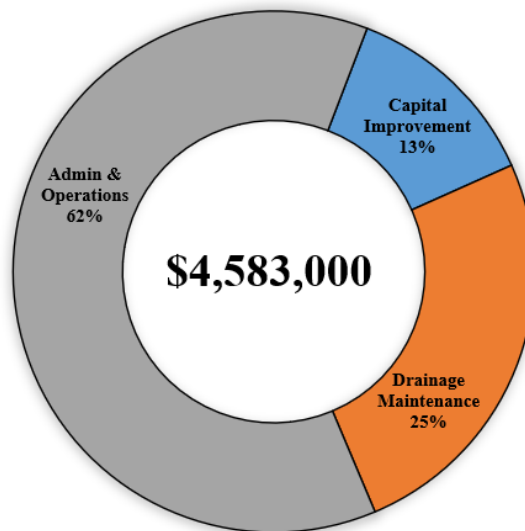
The Town established a Stormwater Management Fund in 2004-05 to continue the enhancement of stormwater management services and to implement stormwater management activities necessary to comply with State and federal regulations. Stormwater management activities are funded by a fee charged to property owners based on the amount of impervious surface area on a property. The recommended budget includes an \$8.79 per equivalent rate unit (ERU) fee increase to complete the stormwater system inventory mapping required during the current five-year NPDES permit cycle. This will bring the Stormwater fee to \$49.06 for each 1,000 square feet of impervious surface. At this rate, fees are estimated at just under \$4.2 million in 2026-27. In the current year, the budget is expected to be balanced with \$2,742,678 in fund balance. For 2026-27, the budget is balanced without the use of fund balance.

Major Expenditures and Estimates

The budget for 2026-27 totals \$4,583,000. This represents a 23.4% increase from the FY25-26 budget. Changes to the budget include a pay increase, a 0.75% retirement rate increase, a 10% health insurance increase, and added budget to complete stormwater system inventory mapping. \$487,328 is in the recommended budget for the debt payment related to the G.O. bond issuance.

As indicated in the chart below, 25% of the 2026-27 budget provides for the Drainage division to conduct stormwater-related drainage and maintenance projects.

STORMWATER EXPENSES



STORMWATER MANAGEMENT FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Stormwater			
Senior Engineer ¹	1.50	1.50	1.50
Engineer II	1.00	1.00	1.00
Engineer - Certified PE ²	1.50	1.50	1.50
Senior Engineering Inspector ²	0.30	0.30	0.30
Stormwater Specialist	1.00	1.00	1.00
Stormwater Analyst	1.00	2.00	2.00
Professional Land Surveyor ²	0.25	0.25	0.25
Community Education Coordinator	1.00	1.00	1.00
Utility Billing Analyst	1.00	1.00	1.00
Division Totals	8.55	9.55	9.55
Drainage			
Stormwater Maintenance Supervisor	1.00	1.00	1.00
Drainage Crew Supervisor	1.00	1.00	1.00
Street Sweeper Equipment Operator	2.00	2.00	2.00
Heavy Equipment Operator	2.00	2.00	2.00
Construction Worker III	1.00	1.00	1.00
Division Totals	7.00	7.00	7.00
Stormwater Management Fund Totals	15.55	16.55	16.55

¹ The Planning department assumes half the salary of one of the Senior Engineer positions.

² The Engineering division of Public Works assumes a portion of salaries for Engineer - Certified PE, Senior Engineering Inspector, and Professional Land Surveyor.

STORMWATER MANAGEMENT FUND

BUDGET SUMMARY

The recommended budget for FY 2026-27 includes the continuation of existing services. The 6.4% increase in personnel expenditures includes a 0.75% retirement increase, a 10% increase in insurance costs, a salary increase, impacts from the Pay Study, and turnover. Operating costs increased by 46.2% largely due to added budget needed to complete stormwater system inventory mapping. Capital Outlay remains flat.

The recommended budget includes an \$8.79 per ERU fee increase to complete the stormwater system inventory mapping required during the current five-year NPDES permit cycle. The budget is balanced without the use of fund balance.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,700,501	\$ 1,982,357	\$ 1,982,357	\$ 1,830,114	\$ 2,108,702	6.4%
Operating Costs	1,568,747	1,634,477	5,562,627	4,167,650	2,390,108	46.2%
Capital Outlay	155,354	80,400	3,204,479	575,248	80,400	0.0%
Capital Reserve	3,135,265	15,866	15,866	15,866	3,790	-76.1%
Total	\$ 6,559,867	\$ 3,713,100	\$ 10,765,329	\$ 6,588,878	\$ 4,583,000	23.4%

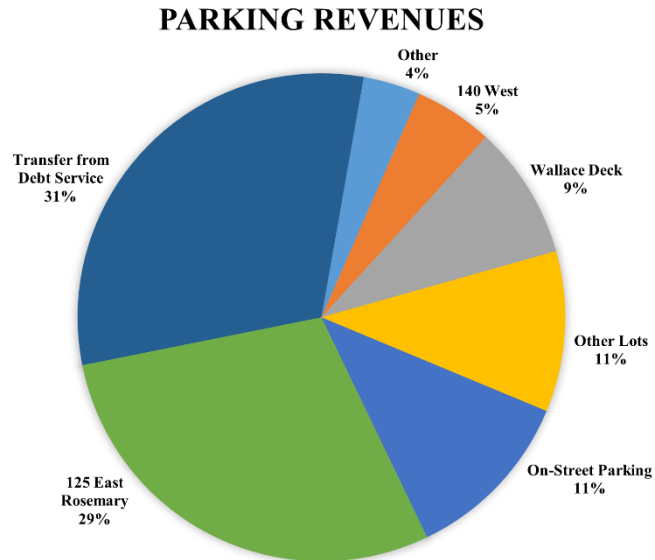
REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Stormwater Fees	\$ 3,029,145	\$ 3,530,100	\$ 3,530,100	\$ 3,560,000	\$ 4,298,000	21.8%
Fee Exemption	(7,771)	(17,000)	(17,000)	(12,000)	(17,000)	N/A
Transfer from General Fund	7,771	17,000	17,000	12,000	17,000	0.0%
Interest Income	254,759	175,000	175,000	277,000	277,000	58.3%
Other Income	13,025	8,000	8,000	9,200	8,000	0.0%
Proceeds from Bond Sale	3,200,000	-	-	-	-	N/A
Premium on Bonds	62,938	-	-	-	-	N/A
Appropriated Fund Balance	-	-	7,052,229	2,742,678	-	N/A
Total	\$ 6,559,867	\$ 3,713,100	\$ 10,765,329	\$ 6,588,878	\$ 4,583,000	23.4%

PARKING FACILITIES FUND

Major Revenue Sources – Descriptions and Estimates

The Parking Facilities Fund, with a recommended budget of \$6,468,125 for 2026-27, accounts for the parking lots and decks in the downtown area as well as on-street parking revenues. Off-street parking revenues consist almost exclusively of the fees charged for parking in downtown lots and decks. \$1,835,500, or about 29% of total parking revenues, is budgeted to come from the new 125 East Rosemary Deck and \$450,000, or 9%, is budgeted from the James Wallace Deck.



The deck at 140 West is budgeted to generate about \$330,000 in 2026-27.

On-street parking has two major revenue sources: pay station fees (formerly known as parking meter fees) and parking ticket fines. Pay station fees are estimated to generate about \$425,000 and parking ticket fines about \$193,000 in 2026-27.

Major Expenditures and Estimates

The primary expenditure of the Parking Facilities Fund is debt payments related to the new 125 East Rosemary parking deck. These debt expenditures total about \$4.2 million in FY27.

The other major expenditure of the Parking Facilities Fund is the cost of personnel to manage parking lots and decks. The personnel budget of \$1,027,150 includes a pay increase, a 10% increase in insurance costs, and a 0.75% increase in retirement.

PARKING FACILITIES FUND
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Parking Services Manager	1.00	1.00	1.00
Parking Services Supervisor	1.00	1.00	1.00
Assistant Parking Services Supervisor	1.00	1.00	1.00
Parking Enforcement Officer	3.00	3.00	3.00
Parking Records Technician	0.75	2.00	2.00
Parking Attendant	2.00	0.00	0.00
Administrative Coordinator	1.00	1.00	1.00
Parking Facilities Fund Totals	<u>9.75</u>	<u>9.00</u>	<u>9.00</u>

PARKING FACILITIES FUND
BUDGET SUMMARY

Parking revenues for the recommended 2026-27 budget decreased 0.9% compared to FY26. This small decrease reflects less dependence on fund balance in the new year. Parking deck, lot, and street-level revenues are increasing slightly, meaning less fund balance is needed.

The overall decrease in expenditures for 2026-27 captures the net result of personnel-related increases to pay and benefits and decreased expenditures due to no longer leasing the Mallette parking lot.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
James Wallace Deck	\$ 749,594	\$ 531,963	\$ 529,063	\$ 653,699	\$ 633,323	19.1%
Parking Lots	983,236	1,174,109	1,174,109	967,039	1,077,191	-8.3%
140 West Deck	54,771	53,855	53,855	54,641	69,399	28.9%
Administration	4,627,686	4,487,972	5,563,372	4,490,447	4,451,455	-0.8%
Parking Capital	228	19,640	19,740	19,740	-	-100.0%
On-Street Parking	233,446	258,134	258,134	233,489	236,757	-8.3%
Total	\$ 6,648,961	\$ 6,525,673	\$ 7,598,273	\$ 6,419,055	\$ 6,468,125	-0.9%

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
James Wallace Deck	\$ 652,384	\$ 635,000	\$ 635,000	\$ 525,000	\$ 560,000	-11.8%
Rosemary/Columbia Lot	304,672	303,000	303,000	325,000	325,000	7.3%
415 West Franklin Lot	43,298	55,000	55,000	135,000	55,000	0.0%
West Rosemary Lot	36,579	10,000	10,000	30,000	30,000	200.0%
Rosemary/Sunset	53,188	62,000	62,000	58,000	62,000	0.0%
South Graham Lot	18,081	17,300	17,300	18,200	18,200	5.2%
West Franklin/Basnigh Lot	93,738	98,000	98,000	2,000	88,000	-10.2%
427 West Franklin Lot	39,588	50,000	50,000	42,000	50,000	0.0%
Jones Park Lot	1,200	18,000	18,000	1,200	6,000	-66.7%
Mallette Lot	121,789	124,000	124,000	125,000	-	-100.0%
Courtyard Lot	32,863	40,000	40,000	14,000	40,000	0.0%
140 West Deck	291,471	330,000	330,000	330,000	330,000	0.0%
125 East Rosemary	260,260	1,686,000	1,686,000	760,000	1,835,500	8.9%
205 Columbia Street	21,673	-	-	-	-	N/A
Interest Income	273,215	25,000	25,000	134,869	75,000	200.0%
Miscellaneous Income	133,153	130,000	130,000	159,000	165,000	26.9%
On-Street Parking	676,244	734,000	734,000	722,000	734,000	0.0%
EV Charging Station Fees	9,843	9,200	9,200	7,418	10,700	16.3%
UNC Leases - 125 East Rosemary	1,500,000	-	-	-	-	N/A
Transfer from Debt Service Fund	431,121	1,957,868	1,957,868	1,957,868	1,957,868	0.0%
Transfer from General Fund	-	-	1,072,500	1,072,500	-	N/A
Appropriated Fund Balance	1,654,601	241,305	241,405	-	125,857	-47.8%
Total	\$ 6,648,961	\$ 6,525,673	\$ 7,598,273	\$ 6,419,055	\$ 6,468,125	-0.9%

PUBLIC HOUSING FUND

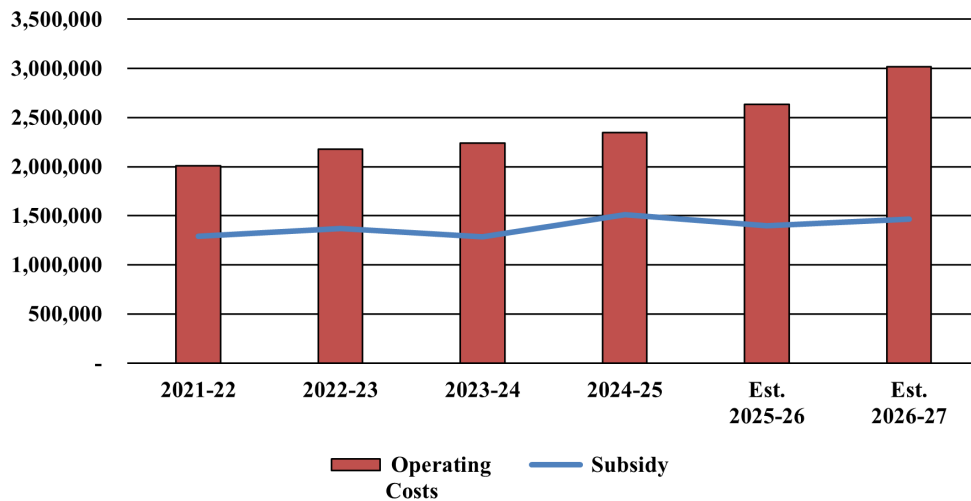
Major Revenue Sources - Descriptions and Estimates

The Town’s Public Housing program provides for the administration and operation of the Town’s 296 public housing units and is funded primarily through federal grants and rents paid by residents.

In 1987, the Chapel Hill Public Housing Authority was abolished by the Chapel Hill Town Council. The Town’s public housing program was then operated as a Town Department administered by Town staff. During FY2023-24, the Public Housing department became part of the Housing & Community Development department, with the Public Housing Fund remaining a separate enterprise fund.

Primary revenue sources include dwelling rents paid by residents and operating grants from the Department of Housing and Urban Development (HUD). HUD has provided funding estimates for calendar year 2026 but we have no information about calendar year 2027. Based on interim allocations, our estimate of HUD’s subsidy for 2025-26 is \$1,399,400, a 7% decrease from the 2024-25 subsidy of \$1,508,347.

Housing Expenses vs. HUD Operating Subsidy



The Public Housing division estimates dwelling rents, the largest source of revenue for the Public Housing Fund, at about \$1,445,100 for 2026-27, which is a 2.5% increase from current year estimates.

Major Expenditures and Estimates

For the 2026-27 Recommended Budget, major expenditure categories include about \$1,745,018 for personnel salaries and benefits, \$705,184 for maintenance of the housing units, \$246,500 for utilities, and \$100,000 for liability and flood insurance.

The personnel costs include a 4% of market pay increase, a 0.75% retirement contribution increase, and a 10% increase in insurance costs.

	2025-26 Original Budget	2026-27 Recommended Budget	% Change from 2025-26
Salary & Benefits - Administration	\$ 754,757	\$ 747,605	-0.9%
Salary & Benefits - Maintenance	927,969	997,413	7.5%
Maintenance Costs	604,911	705,184	16.6%
Utilities	213,450	246,500	15.5%
Liability & Flood Insurance	77,500	100,000	29.0%
Other Expenses	303,737	219,661	-27.7%
Total Budget	\$ 2,882,324	\$ 3,016,363	4.7%

PUBLIC HOUSING
STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2024-25 ADOPTED	2025-26 ADOPTED	2026-27 RECOMMENDED
Administration			
Director - Housing & Community Development ¹	0.20	0.20	0.00
Assistant Director (1) ¹	0.50	0.50	0.00
Assistant Director (2)	0.50	0.50	0.00
Assistant Director - Public Housing	1.00	1.00	1.00
Management Analyst ²	0.50	0.50	0.80
Administrative Coordinator ¹	0.20	0.20	0.00
Administrative Assistant	1.00	1.00	1.00
Housing Officer	2.00	2.00	2.00
Resident Services Coordinator	1.00	1.00	1.00
Compliance Analyst ²	0.00	0.00	0.50
Division Totals	6.90	6.90	6.30
Maintenance			
Housing Maintenance Supervisor	1.00	1.00	1.00
Housing Maintenance Mechanic (I, II, III) ³	7.50	7.50	7.50
Administrative Coordinator	1.00	1.00	1.00
Division Totals	9.50	9.50	9.50
Public Housing Fund Totals	16.40	16.40	15.80

¹ The portions of these positions formerly paid out of the Public Housing Fund have moved to H&CD for FY26-27.

² These positions are split between the Public Housing Fund and Housing & Community Development.

³ One Mechanic position is split between the Public Housing Fund and Housing & Community Development.

PUBLIC HOUSING BUDGET SUMMARY

The Town's public housing units are funded primarily through federal grants from the U.S. Department of Housing and Urban Development and rents paid by residents. HUD's funding formula changed to implement Asset Based Budgeting in 2007-08, but each year, HUD has waived many Asset-based requirements for housing authorities of our size. We believe it is likely the waiver will be made permanent, so the budget for 2026-27 retains a simpler model that includes an Administrative Division and a Maintenance Division.

The 3.7% increase in personnel is the result of a 0.75% retirement increase, a 10% increase in insurance costs, and a salary increase, all of which are somewhat offset by turnover, vacancies, and positions that were partially funded out of the Public Housing Fund moving to the General Fund. The operating budget increased 6% primarily due to various increases in the Maintenance Division, including utility costs, fleet use charges, contracted services, and maintenance supplies. The budget for 2026-27 reflects an estimate of the HUD subsidy anticipated for calendar year 2026. The Town anticipates HUD subsidies and rental revenues will increase. The Town anticipates using \$86,163 in fund balance appropriation in 2026-27.

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Revenue Summary						
HUD Contributions	\$ 1,508,347	\$ 1,295,000	\$ 1,295,000	\$ 1,399,400	\$ 1,465,000	13.1%
Rental Revenue	1,395,493	1,410,000	1,410,000	1,244,400	1,445,100	2.5%
Other Revenues	18,034	10,400	663,857	693,345	100	-99.0%
Interest Income	22,776	28,000	28,000	28,000	20,000	-28.6%
Appropriated Fund Balance	-	138,924	1,735,699	750,000	86,163	-38.0%
Total Revenues	\$ 2,944,650	\$ 2,882,324	\$ 5,132,556	\$ 4,115,145	\$ 3,016,363	4.7%

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Personnel	\$ 1,283,914	\$ 1,682,726	\$ 1,568,726	\$ 1,332,952	\$ 1,745,018	3.7%
Operating	1,004,764	1,199,598	3,133,188	2,782,193	1,271,345	6.0%
Capital	57,619	-	430,642	-	-	N/A
Contribution to Reserve	598,353	-	-	-	-	N/A
Total	\$ 2,944,650	\$ 2,882,324	\$ 5,132,556	\$ 4,115,145	\$ 3,016,363	4.7%

COMMUNITY DEVELOPMENT PROJECT ORDINANCES
U.S. Department of Housing and Urban Development
Community Development Program
Summary of Activities

The Town became an "entitlement" Community Development city in 1984, which means that the Town is entitled to receive Community Development grant funds annually upon submission of a final statement. Community Development grants awarded by Housing and Urban Development are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as the grant awards are received.

The 2018 project ordinance budgets a \$418,344 grant and \$21,777 program income, for public housing improvements, homeownership assistance, homeowner housing improvement programs, code enforcement, neighborhood revitalization activities, summer youth employment programs, and homelessness case management.

The 2019 project ordinance budgets a grant of \$386,584 for homeownership assistance, housing improvement programs for homeowners, code enforcement, neighborhood revitalization activities, the summer youth employment program, youth counseling services, and homelessness case management.

The 2020 project ordinance budgets a \$417,591 grant and \$7,339 program income, for homeownership assistance, homeowner housing improvement programs, emergency housing assistance, the summer youth employment program, youth counseling services, and homelessness case management. There were also two COVID-19 related CDBG-CV ordinances in 2020:

- The Coronavirus funding round 3 project ordinance budgets a grant of \$290,902 for remote learning scholarships, neighborhood support centers and staffing and supplies for the food bank.

The 2021 project ordinance budgets a \$418,300 grant and \$7,339 program income, for affordable rental acquisition and rehabilitation, homeowner housing improvement programs, neighborhood revitalization activities, youth counseling services, and homelessness case management.

The 2022 project ordinance budgets a \$419,755 grant and \$51,964 program income, for homeownership assistance, homebuyer counseling, homeowner housing improvement programs, neighborhood revitalization, summer youth employment programs, youth counseling services, and homelessness case management.

The 2023 project ordinance budgets a \$421,755 grant and \$12,817 program income, for homeownership assistance, homebuyer counseling, homeowner housing improvement programs, neighborhood revitalization, summer youth employment programs, youth counseling services, and homelessness case management.

The 2024 project ordinance budgets a \$437,331 grant and \$7,338 program income, for homeownership assistance, homeowner housing improvement programs, summer youth employment programs, microenterprise development, and homelessness case management.

The 2025 project ordinance budgets a \$415,188 grant and \$21,270 program income, for homeowner housing improvement programs, rental housing improvement projects, a summer youth employment program, microenterprise development, and homelessness case management.

CAPITAL IMPROVEMENTS FUND
BUDGET SUMMARY

The budget for the Capital Improvements Program for 2026-27 totals \$3,145,996 and includes projects to be completed in 2026-27. Beginning in FY 2018-19, the Town began budgeting funds for facility maintenance in the General Fund. Each year, depending on the nature of the planned projects, a portion of those funds will be transferred into the Capital Improvements Fund.

EXPENDITURES

	2024-25	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	2025-26
Municipal Facilities	\$ 543,362	\$ 1,089,500	\$ 1,814,669	\$ 1,814,669	\$ 1,339,500	22.9%
Public Safety	160,558	-	1,068,162	1,068,162	-	N/A
Facilities Leased by Others	79,283	73,093	250,119	250,119	73,093	0.0%
Infrastructure	166,235	560,907	2,633,342	2,664,342	560,907	0.0%
Parks/Public Use Facilities	503,510	1,146,000	2,188,415	2,188,415	1,146,000	0.0%
Transfers/Financing Costs	26,802	26,496	57,496	26,496	26,496	0.0%
Total	\$ 1,479,750	\$ 2,895,996	\$ 8,012,203	\$ 8,012,203	\$ 3,145,996	8.6%

REVENUES

	2024-25	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	2025-26
Housing Rent Proceeds	\$ 72,902	\$ 73,093	\$ 73,093	\$ 73,093	\$ 73,093	0.0%
Cell Tower Rental Fees	72,896	70,000	70,000	70,000	70,000	0.0%
Interest on Investments	70,710	15,500	15,500	15,500	15,500	0.0%
Grants	188,548	-	962,444	962,444	-	N/A
Transfer from General Fund	2,586,623	2,737,403	3,777,418	3,777,418	2,987,403	9.1%
Appropriated Fund Balance	(1,511,929)	-	3,113,748	3,113,748	-	N/A
Total	\$ 1,479,750	\$ 2,895,996	\$ 8,012,203	\$ 8,012,203	\$ 3,145,996	8.6%

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget
MUNICIPAL OPERATIONS FACILITIES					
Extraordinary Maintenance, Emergency Repairs	\$ 99,818	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Town Hall Repairs	-	-	-	-	149,500
Homestead HVAC	60,853	-	198,347	198,347	-
Council Chamber Upgrade	2,602	-	-	-	-
Town Hall Parking Deck Repairs	-	-	-	-	40,000
Post Office/Courthouse	-	-	-	-	50,000
Plant Road Maintenance	33,419	-	-	-	-
Public Works Wash Bay	24,000	-	-	-	-
Public Works Roof	-	989,500	1,081,500	1,081,500	-
Hargraves Center	11,178	-	-	-	-
Community Center Pool	-	-	-	-	350,000
Fire Station #2	-	-	-	-	85,000
Public Works HVAC	-	-	-	-	150,000
Fire Station #5	-	-	-	-	240,000
Hargraves HVAC	237,664	-	113,157	113,157	-
Community Center Roof	16,960	-	-	-	-
Community Center HVAC	26,500	-	321,665	321,665	-
General Facilities Maintenance	-	-	-	-	175,000
Parks Admin. HVAC	29,768	-	-	-	-
Town Operations Center	600	-	-	-	-
Subtotal	\$ 543,362	\$ 1,089,500	\$ 1,814,669	\$ 1,814,669	\$ 1,339,500
PUBLIC SAFETY					
Fire Station #4	160,558	-	1,068,162	1,068,162	-
Subtotal	\$ 160,558	\$ -	\$ 1,068,162	\$ 1,068,162	\$ -

CAPITAL IMPROVEMENTS FUND

DETAIL EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget
TOWN FACILITIES LEASED BY OTHERS					
Housing Maintenance	\$ 79,283	\$ 73,093	\$ 250,119	\$ 250,119	\$ 73,093
Subtotal	\$ 79,283	\$ 73,093	\$ 250,119	\$ 250,119	\$ 73,093
INFRASTRUCTURE					
Everywhere to Everywhere	\$ 85,147	\$ 401,403	\$ 2,116,186	\$ 2,116,186	\$ 401,403
Path, Trail and Lot Maintenance	-	25,000	50,000	50,000	25,000
Curbs / ADA	35,722	36,000	36,000	36,000	36,000
Bike/Ped Safety	45,366	98,504	431,156	462,156	98,504
Subtotal	\$ 166,235	\$ 560,907	\$ 2,633,342	\$ 2,664,342	\$ 560,907
PARKS AND OTHER PUBLIC USE FACILITIES					
Greenways	\$ 29,218	\$ 50,000	\$ 66,443	\$ 66,443	\$ 50,000
Playground Replacement	50,532	50,000	22,182	22,182	50,000
Cemetery Beautification	17,870	20,000	20,000	20,000	20,000
Parks Maintenance	356,092	976,000	1,994,918	1,994,918	976,000
Small Park Improvements	49,798	50,000	84,872	84,872	50,000
Subtotal	\$ 503,510	\$ 1,146,000	\$ 2,188,415	\$ 2,188,415	\$ 1,146,000
TRANSFER TO OTHER FUNDS AND FINANCING COSTS					
Transfer to Grants Fund	\$ 26,802	\$ 26,496	\$ 57,496	\$ 26,496	\$ 26,496
Subtotal	\$ 26,802	\$ 26,496	\$ 57,496	\$ 26,496	\$ 26,496
TOTALS	\$ 1,479,750	\$ 2,895,996	\$ 8,012,203	\$ 8,012,203	\$ 3,145,996

**CAPITAL RESERVE FUND
BUDGET SUMMARY**

No appropriations are planned for the Capital Reserve Fund for 2026-27, which had a fund balance of \$239,412 as of June 30, 2025.

EXPENDITURES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Reserved for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Transfer to Capital Improvements Fund	-	-	-	-	-	N/A
Transfer to General Fund	-	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

REVENUES

	2024-25 Actual	2025-26 Original Budget	2025-26 Revised Budget	2025-26 Estimated	2026-27 Recommended Budget	% Change from 2025-26
Interest on Investments Appropriated	\$ 8,778	\$ -	\$ -	\$ -	\$ -	N/A
Fund Balance	(8,778)	-	-	-	-	N/A
Total	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

MAJOR CAPITAL BOND PROJECTS

Several major capital improvement projects were approved by bond referenda in November 2015, November 2018, and November 2024 and limited obligation bonds in 2024.

As authorized by General Statute 159.13.2, capital project ordinances were established for each of the projects for the life of the projects.

Expenditures for these projects through March 31, 2026, are shown in the table at the right.

<u>Major Capital Bond Projects</u>	<u>Budget</u>	<u>Expenditures as of March 31, 2026</u>
2015 Bond Projects		
Streets and Sidewalks	\$ 16,200,000	\$ 13,585,000
Parks Trails	5,000,000	3,932,000
Parks Facilities	5,300,000	5,300,000
Subtotal	<u>\$ 26,500,000</u>	<u>\$ 22,817,000</u>
2018 Bond Projects		
Affordable Housing Projects	\$ 10,000,000	\$ 3,269,000
2024 LOBS Projects		
East Rosemary Deck	\$ 11,206,000	\$ 10,636,000
Fire Ladder Truck	3,238,000	3,088,000
PD Furniture & Fixtures	1,717,000	1,627,000
Subtotal	<u>\$ 16,161,000</u>	<u>\$ 15,351,000</u>
2024 Bond Projects		
Public Facilities	\$ 1,230,000	\$ 21,000
Affordable Housing	3,500,000	59,000
Streets and Sidewalks	5,400,000	102,000
Parks Facilities	500,000	8,000
Subtotal	<u>\$ 10,630,000</u>	<u>\$ 190,000</u>
TOTAL	<u>\$ 63,291,000</u>	<u>\$ 41,627,000</u>

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	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	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	2025-26	2025-26	2025-26	2026-27	% Change
	Actual	Original	Revised	Estimated	Recommended	from
		Budget	Budget		Budget	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%

Performance Agreements with Other Agencies

Performance Agreements with Other Agencies	2025-26 Adopted Budget	2026-27 Recommended Budget
Human Services		
Human Services Advisory Board Recommendations	\$ 602,516	\$ 602,516
Total Human Services	602,516	602,516
Arts		
Cultural Arts	43,500	43,500
Total Arts	43,500	43,500
Affordable Housing		
Community Home Trust	513,145	513,145
Interfaith Council (IFC)	273,766	273,766
Orange County Partnership to End Homelessness	317,048	378,157
Total Affordable Housing	1,103,959	1,165,068
Economic Development		
Chapel Hill/Orange County Visitors Bureau	200,000	-
Chapel Hill Downtown Partnership	70,000	-
Total Economic Development	270,000	-
Total Contributions to Agencies	\$ 2,019,975	\$ 1,811,084