

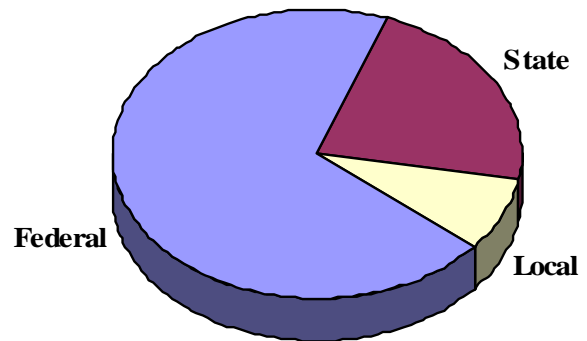
TABLE OF CONTENTS – OTHER FUNDS

| <u>Fund Title</u> | <u>Page</u> |
|---|--------------------|
| <u>Other Special Revenue Funds</u> | |
| Grants Fund..... | 292 |
| Cable Public Access Fund..... | 294 |
| Downtown Service District Fund..... | 296 |
| Library Gift Fund..... | 298 |
| <u>Internal Service Funds</u> | |
| Vehicle Replacement Fund..... | 300 |
| Vehicle Maintenance Fund..... | 302 |
| Computer Replacement Fund..... | 306 |

GRANTS FUND

The Grants Fund was established to account for miscellaneous small grants that would otherwise be accounted for in the General Fund.

Grant Sources -Historical Trend



GRANTS FUND

BUDGET SUMMARY

The Grants Fund was established in 2004-05 to account for grants previously included in the General Fund. The grant already included for 2008-09 provides continued funding for firefighter positions and carries increasing matching requirements for each of five years.

EXPENDITURES

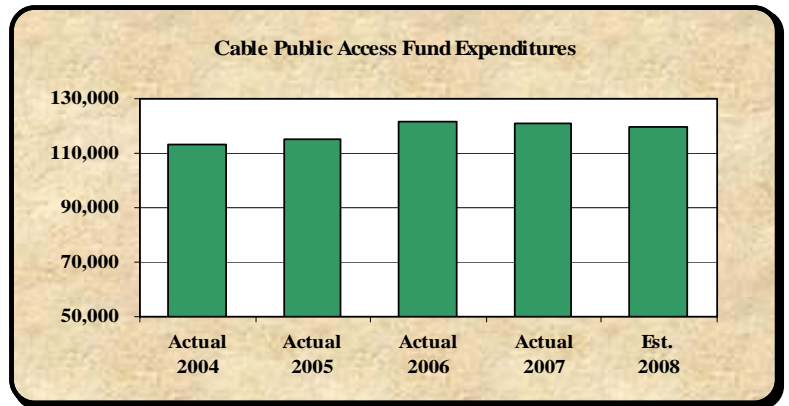
| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|--------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Police Grants | 167,017 | - | 223,215 | 190,741 | - | N/A |
| Fire Grants | 152,857 | 514,136 | 844,515 | 540,769 | 543,645 | 5.7% |
| Parks Grants | 238 | - | 4,563 | 4,563 | - | N/A |
| Planning Grants | 57,443 | - | 460,065 | 460,065 | - | N/A |
| Engineering Grants | 67,003 | - | 11,115 | 11,115 | - | N/A |
| Total | 444,558 | 514,136 | 1,543,473 | 1,207,253 | 543,645 | 5.7% |

REVENUES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|-------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Grants | 357,105 | 397,440 | 1,189,062 | 891,009 | 322,920 | -18.8% |
| Charges for Service | - | - | 20,000 | 20,000 | - | N/A |
| Transfer from General Fund | 87,453 | 116,696 | 334,411 | 296,244 | 220,725 | 89.1% |
| Total | 444,558 | 514,136 | 1,543,473 | 1,207,253 | 543,645 | 5.7% |

CABLE PUBLIC ACCESS FUND

The Cable Public Access Fund accounts for the financial resources for community cable programming.



CABLE PUBLIC ACCESS FUND BUDGET SUMMARY

Changes in Cable Public Access revenue sources began in January 2007 with certain funds flowing through the State rather than directly to the Town. As the impact of the new legislation is being weighed by the State and municipalities, the adopted budget retains historical levels of budgeted revenues and expenditures. After the State adopts clarifying legislation, it may be necessary to amend the budget.

EXPENDITURES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|---------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Contracted Services | 119,371 | 100,000 | 100,000 | 120,000 | 120,000 | 20.0% |
| Total | 119,371 | 100,000 | 100,000 | 120,000 | 120,000 | 20.0% |

REVENUES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|-----------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Cablevision Public Access Fees | 121,060 | 100,000 | 100,000 | 120,000 | 120,000 | 20.0% |
| Interest Income | 1,237 | - | - | - | - | N/A |
| Total | 122,297 | 100,000 | 100,000 | 120,000 | 120,000 | 20.0% |

DOWNTOWN SERVICE DISTRICT FUND

Major Revenue Sources – Descriptions and Estimates

The revenue source for the Downtown Service District is the special district property tax, with a tax rate of 9.0 cents, unchanged from 2006-07, which is expected to yield a total of \$160,000 in 2008-09.

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

Major Expenditures and Estimates

The budget provides for continued funding for the Chapel Hill Downtown Partnership of about \$119,000. The Chapel Hill Downtown Partnership 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.

The budget includes funding for a groundskeeper (\$41,022) dedicated to the downtown area.

DOWNTOWN SERVICE DISTRICT FUND STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

| | 2006-07 ADOPTED | 2007-08 ADOPTED | 2008-09 ADOPTED |
|---------------------------------------|----------------------------|----------------------------|----------------------------|
| Groundskeeper* | 1.00 | 1.00 | 1.00 |
| Downtown Service District Fund Totals | 1.00 | 1.00 | 1.00 |

*Position supervised by Public Works

DOWNTOWN SERVICE DISTRICT FUND

BUDGET SUMMARY

The Downtown Service District Fund tax rate of 9.0 cents for 2008-09 provides for continued funding of the groundskeeper position dedicated to the downtown area, including increases for pay adjustment effective October 2008 and 10% increase in medical insurance. The balance of revenues is allocated to the Chapel Hill Downtown Partnership.

EXPENDITURES

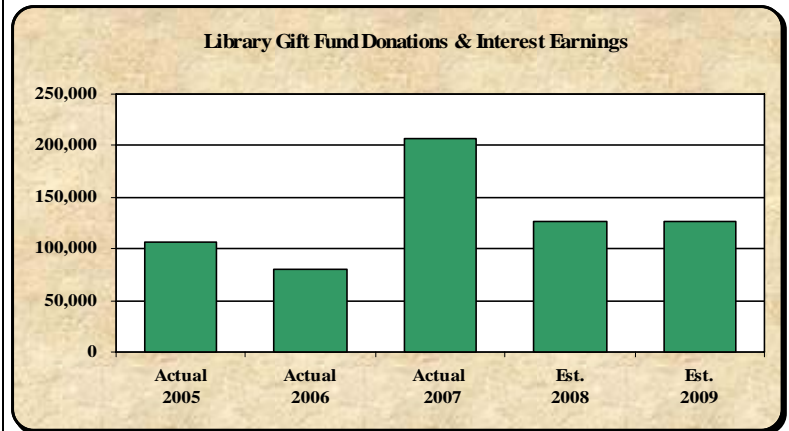
| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|-----------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Personnel | 24,568 | 35,634 | 40,434 | 42,051 | 40,921 | 14.8% |
| Professional Services | - | - | 27,025 | 27,025 | - | N/A |
| Contracted Services | 43,847 | 91,000 | 91,000 | 91,000 | 119,079 | 30.9% |
| Reserve | - | 15,366 | 10,566 | - | - | -100.0% |
| Total | 68,415 | 142,000 | 169,025 | 160,076 | 160,000 | 12.7% |

REVENUES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Property Taxes | 144,488 | 142,000 | 142,000 | 160,000 | 160,000 | 12.7% |
| Interest Income | 3,445 | - | - | - | - | N/A |
| Appropriated Fund Balance | (79,518) | - | 27,025 | 76 | - | N/A |
| Total | 68,415 | 142,000 | 169,025 | 160,076 | 160,000 | 12.7% |

LIBRARY GIFT FUND

The Library Gift Fund accounts for private contributions to the Town's library.



LIBRARY GIFT FUND

BUDGET SUMMARY

The 2007-08 revised budget includes one-time allocations for the Books Now Campaign and 50th anniversary celebration. The adopted budget for the Library Gift Fund for 2008-09 reflects an increase in expected donations, which will be reserved for the library renovation project. The Library Gift Fund continues to budget \$45,000 as a transfer to the General Fund for ongoing Library operations.

EXPENDITURES

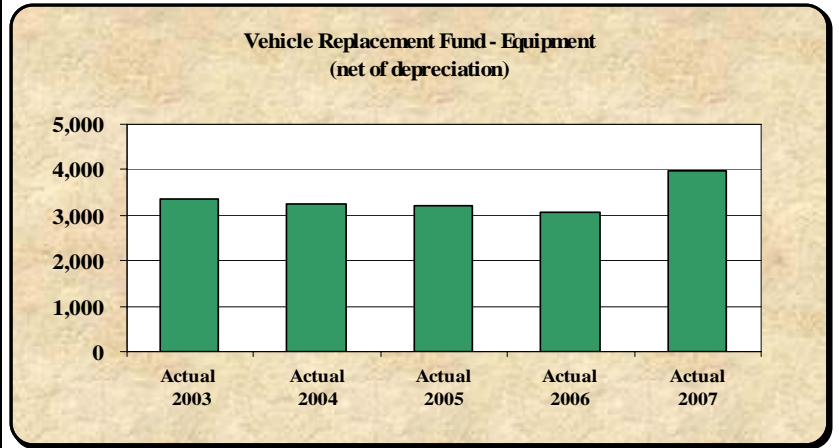
| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|--|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Personnel - Anniversary | - | - | 14,000 | - | - | N/A |
| Other Anniv. Expense | - | - | 8,000 | 4,500 | - | N/A |
| Books Now Campaign | - | - | 53,518 | 48,055 | - | N/A |
| Contribution to Reserve | 162,019 | - | - | - | 81,000 | N/A |
| Transfer to General Fund | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 0.0% |
| Transfer to Multi-Year Capital Project Fund | - | 93,050 | 39,957 | 42,000 | - | -100.0% |
| Total | 207,019 | 138,050 | 160,475 | 139,555 | 126,000 | -8.7% |

REVENUES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Interest Income | 12,641 | - | - | - | - | N/A |
| Gifts and Donations | 194,378 | 121,000 | 121,000 | 126,000 | 126,000 | 4.1% |
| Appropriated Fund Balance | - | 17,050 | 39,475 | 13,555 | - | -100.0% |
| Total | 207,019 | 138,050 | 160,475 | 139,555 | 126,000 | -8.7% |

VEHICLE REPLACEMENT FUND

The Vehicle Replacement Fund accounts for the purchase and financing of motor vehicles and related costs to other Town departments.



VEHICLE REPLACEMENT FUND

BUDGET SUMMARY

Estimates for 2007-08 are shown inclusive of a budget amendment to use loan proceeds to pay off a loan in the wake of Council's 2004-05 decision to delay purchases. The recommended budget for the Vehicle Replacement Fund includes a continuation of capital equipment purchases and requires a significant increase in lease purchase payments that will be due during 2008-09. Equipment purchases in 2007-08 include a fire pumper truck and a commercial front load garbage truck. Purchases planned for 2008-09 include an air sweeper, two dump trucks, and a backhoe loader.

EXPENDITURES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|-------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Lease Purchase Payments | - | 1,211,963 | 1,486,297 | 1,486,195 | 1,350,210 | 11.4% |
| Depreciation Expense | 884,942 | - | - | - | - | N/A |
| Interest Expense | 125,547 | - | - | - | - | N/A |
| Other Expense | 14,196 | 16,500 | 16,500 | 30,000 | 25,000 | 51.5% |
| Capital Equipment | | 1,582,300 | 2,931,614 | 2,931,614 | 1,624,200 | 2.6% |
| Contribution to Reserve | 286,000 | 209,838 | 209,838 | 353,623 | 398,990 | 90.1% |
| Total | 1,310,685 | 3,020,601 | 4,644,249 | 4,801,432 | 3,398,400 | 12.5% |

REVENUES

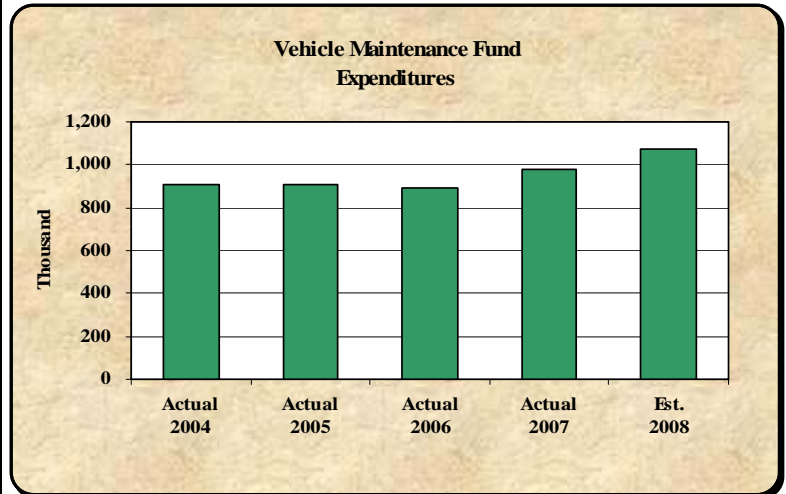
| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|--------------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Vehicle Use Fees | 1,148,591 | 1,418,301 | 1,418,301 | 1,418,301 | 1,624,200 | 14.5% |
| Interest Income | 114,218 | - | - | 57,776 | - | N/A |
| Sale of Fixed Assets | 13,749 | 20,000 | 20,000 | 160,605 | 150,000 | 650.0% |
| Insurance Claims | - | - | - | - | - | N/A |
| Financing Proceeds | - | 1,582,300 | 1,582,300 | 1,587,500 | 1,624,200 | 2.6% |
| Transfer from Vehicle Maintenance | 34,127 | - | - | - | - | N/A |
| Appropriated Fund Balance | - | - | 1,623,648 | 1,577,250 | - | N/A |
| Total | 1,310,685 | 3,020,601 | 4,644,249 | 4,801,432 | 3,398,400 | 12.5% |

VEHICLE MAINTENANCE FUND

The Vehicle Maintenance Fund accounts for the repair and maintenance of all the Town's cars, trucks, and heavy equipment, excluding those used in public transportation operations.

Vehicle maintenance is an internal service fund; its cost is charged out to other Town departments based on actual repairs.

The division is supervised by Public Works.



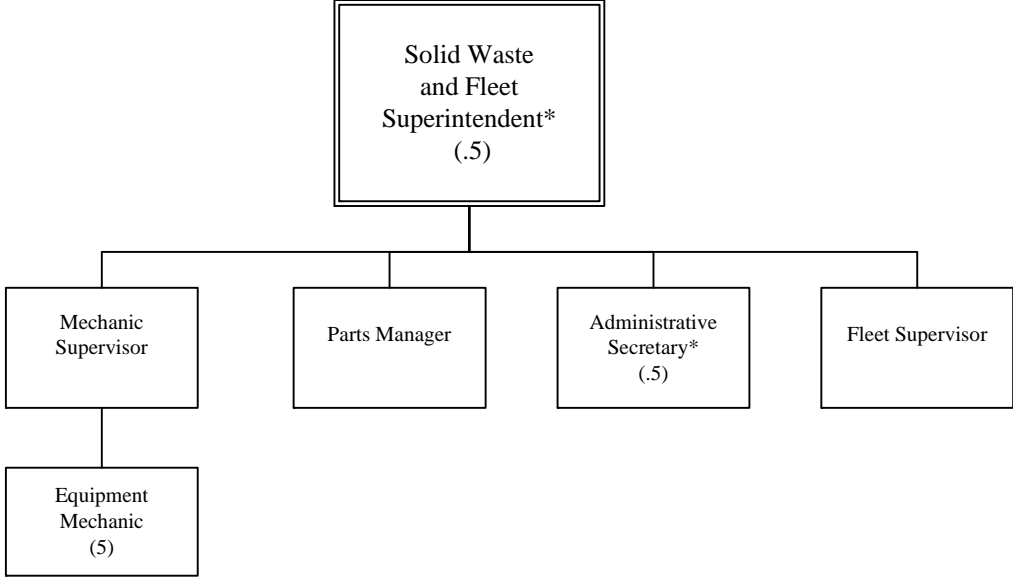
VEHICLE MAINTENANCE FUND STAFFING COMPARISONS - IN FULL-TIME

| | 2006-07 ADOPTED | 2007-08 ADOPTED | 2008-09 ADOPTED |
|-----------------------------|--------------------|--------------------|--------------------|
| Superintendent-Solid Waste* | 0.50 | 0.50 | 0.50 |
| Supervisor-Mechanic | 1.00 | 1.00 | 1.00 |
| Parts Manager | 1.00 | 1.00 | 1.00 |
| Mechanic (I-III) | 5.00 | 5.00 | 5.00 |
| Manager-Fleet | 1.00 | 1.00 | 1.00 |
| Administrative Secretary* | 0.50 | 0.50 | 0.50 |
| Unit Totals | 9.00 | 9.00 | 9.00 |

*Superintendent and Administrative Secretary positions are split between Solid Waste and the Vehicle Maintenance Fund

Note: Vehicle Maintenance is supervised by the Public Works Department.

VEHICLE MAINTENANCE



*Position is split with Solid Waste division of Public Works.

VEHICLE MAINTENANCE FUND

BUDGET SUMMARY

The 7.4% increase in personnel costs in the adopted budget includes the full year cost of the prior year's raise, a 3% pay adjustment effective October 1, 2008 and a 10% increase in medical insurance. Operating cost increases are tied closely to the increase in gasoline and petroleum-based products, as well as the increased fleet size. There are no planned capital expenditures in 2008-09.

EXPENDITURES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|-----------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Personnel | 513,934 | 595,881 | 590,381 | 591,358 | 639,694 | 7.4% |
| Operating Costs | 462,470 | 478,155 | 496,829 | 476,095 | 515,525 | 7.8% |
| Capital Outlay | 34,127 | - | 9,400 | 8,157 | - | N/A |
| Total | 1,010,531 | 1,074,036 | 1,096,610 | 1,075,610 | 1,155,219 | 7.6% |

REVENUES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Vehicle Maintenance Fees | 875,695 | 1,029,349 | 1,029,349 | 1,029,349 | 1,100,655 | 6.9% |
| Interest Income | 9,107 | 6,000 | 6,000 | 6,000 | 6,000 | 0.0% |
| Transfer from General Fund | - | - | 21,000 | - | - | N/A |
| Appropriated Fund Balance | 125,729 | 38,681 | 40,261 | 40,261 | 48,564 | 25.6% |
| Total | 1,010,531 | 1,074,030 | 1,096,610 | 1,075,610 | 1,155,219 | 7.6% |

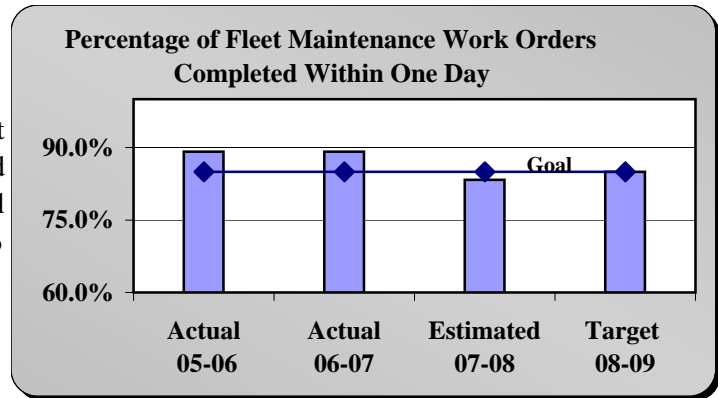
VEHICLE MAINTENANCE TRENDS

COUNCIL SERVICE GOALS: Maintain basic Town services.

GOAL: Ensure that the Town fleet is operable and available for maximum usage.

OBJECTIVE: Complete 85% of fleet maintenance work orders within one day. (Note: This objective was established in fiscal year 2005-06.)

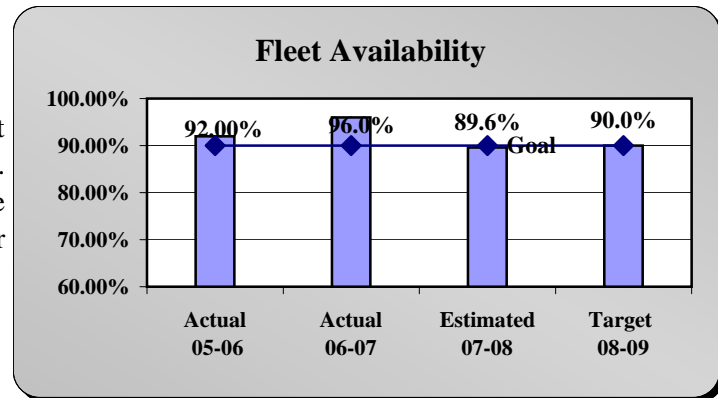
In fiscal year 2007-08, 83.34% of all fleet maintenance work orders were completed within one day. Vehicle Maintenance will strive to achieve and exceed its goal of 85% in fiscal year 2008-09.



GOAL: Ensure that the Town fleet is operable and available for maximum usage.

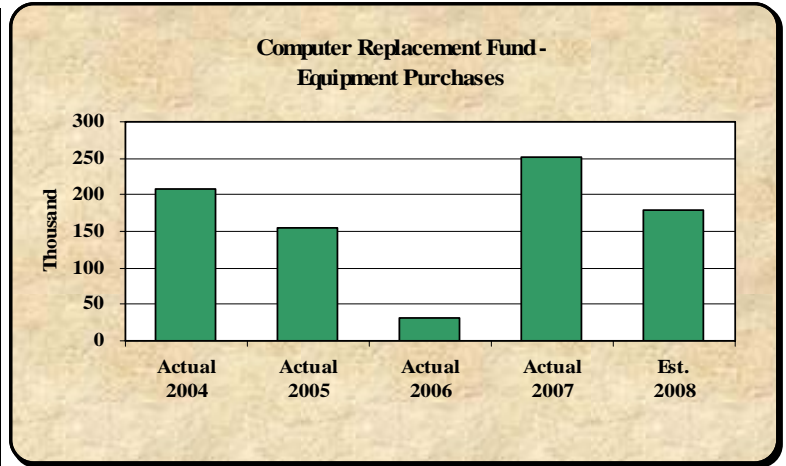
OBJECTIVE: Achieve an average fleet availability of 90%. (Note: This objective was established in fiscal year 2005-06.)

In fiscal year 2007-08, an average fleet availability of 89.6% was achieved. Vehicle Maintenance will strive to achieve and exceed its goal of 90% in fiscal year 2008-09.



COMPUTER REPLACEMENT FUND

The Computer Replacement Fund accounts for the purchase and financing of computer equipment and software to the Town departments.



COMPUTER REPLACEMENT FUND

BUDGET SUMMARY

2007-08 expenditures include the payoff of all existing loans for computer equipment. The adopted budget for 2008-09 provides for replacement of computer equipment on a pay-as-you-go basis.

EXPENDITURES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|-------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Lease Purchase Payments | - | 65,000 | 65,000 | 67,421 | - | -100.0% |
| Small Equipment | 117,602 | 150,000 | 179,877 | 179,461 | 150,000 | 0.0% |
| Other Expense | 150 | | | - | | N/A |
| Depreciation Expense | 3,863 | - | - | - | - | N/A |
| Interest Expense | 4,458 | 2,005 | 2,005 | - | - | -100.0% |
| Total | 126,073 | 217,005 | 246,882 | 246,882 | 150,000 | -30.9% |

REVENUES

| | 2006-07 Actual | 2007-08 Original Budget | 2007-08 Revised Budget | 2007-08 Estimated | 2008-09 Adopted Budget | % Change from 2007-08 |
|------------------------------|---------------------------|--|---------------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| Computer Use Fees | 190,090 | 150,000 | 150,000 | 150,000 | 150,000 | 0.0% |
| Interest Income | 19,257 | - | - | 6,400 | - | N/A |
| Sale of Equipment | (3,176) | - | - | - | - | N/A |
| Financing Proceeds | - | - | - | - | - | N/A |
| Appropriated Fund Balance | - | 67,005 | 96,882 | 90,482 | - | -100.0% |
| Total | 206,171 | 217,005 | 246,882 | 246,882 | 150,000 | -30.9% |
