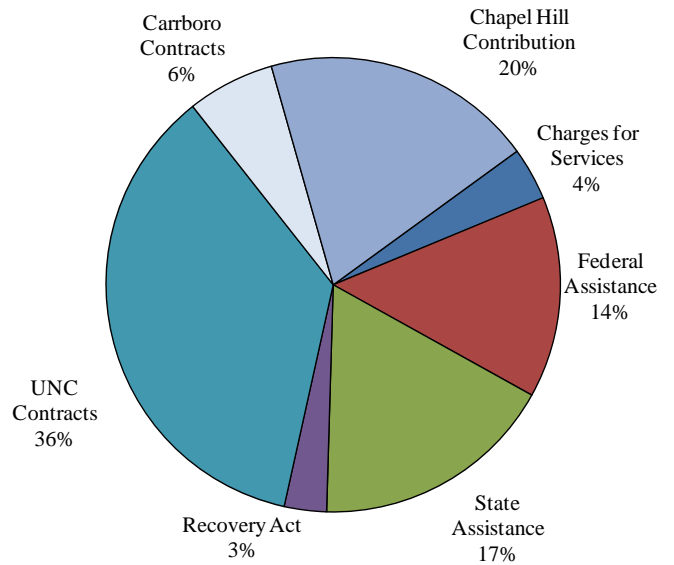


TRANSIT FUND

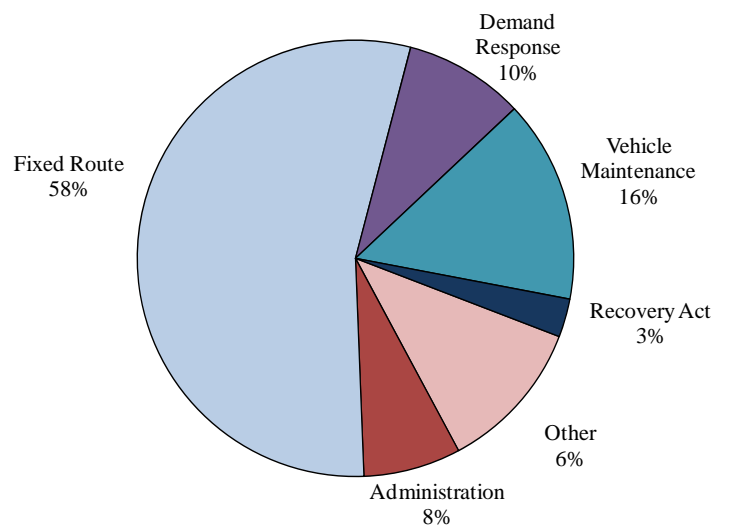
The Transit Fund is used to account for the operations of the Town's public transit system.

Transit Revenues



Total \$16,673,632

Transit Expenditures



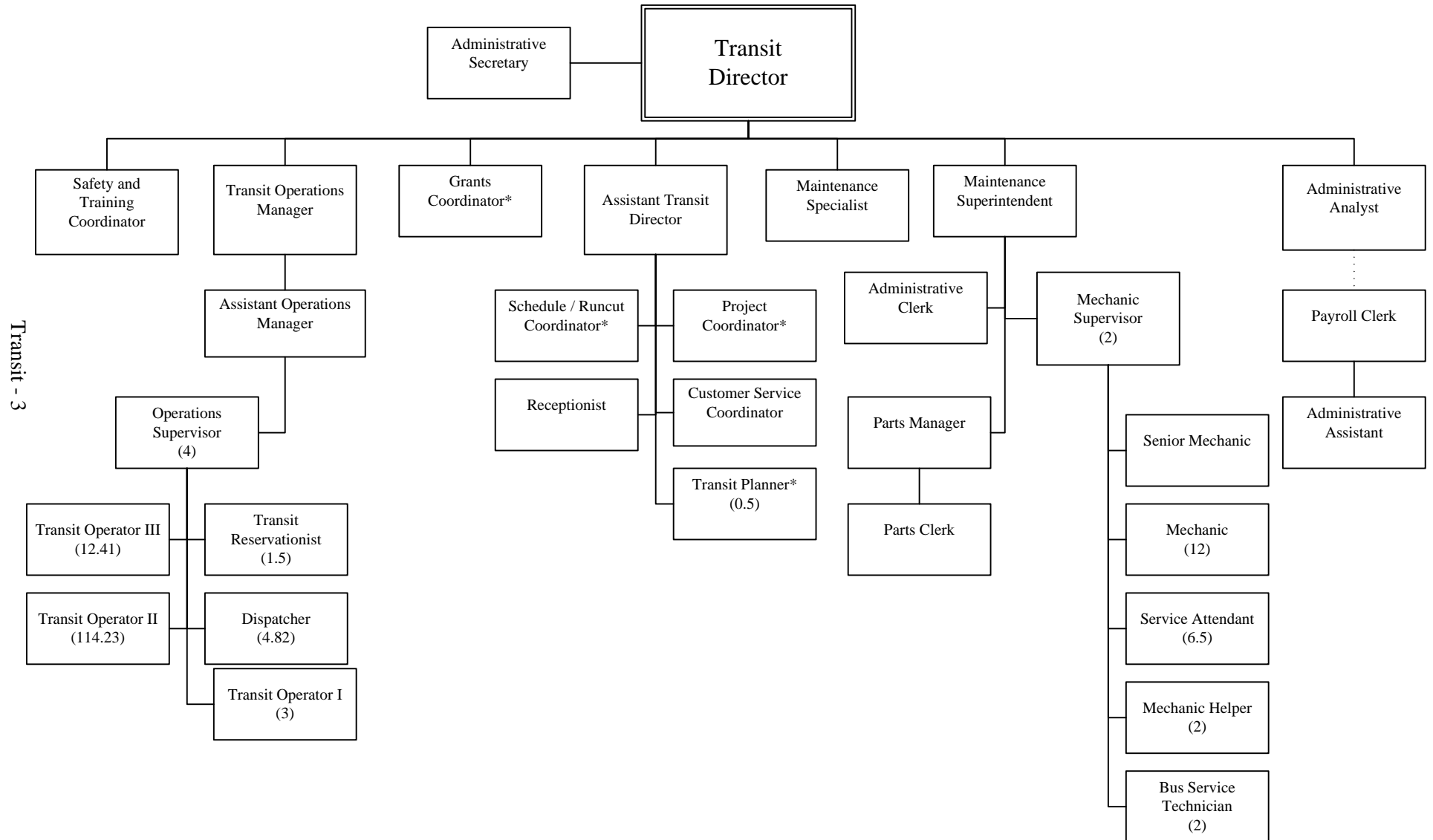
TRANSIT

MISSION STATEMENT:

Chapel Hill Transit's mission is to build and operate a public transit system that provides personal mobility, while supporting local development and environmental goals of our community.

- In order to accomplish its mission, Chapel Hill Transit will:
 - Foster customer oriented services
 - Maximize safety and security for our customers and community
 - Hold our operations to high service quality standards
 - Embrace creativity and adaptability in addressing needs
 - Collaboration with other providers to be inclusive and multi-modal
 - Ensure a quality operation that emphasizes mutual respect
- Chapel Hill Transit provides fixed route and demand response bus service within its service area and extended service to areas such as Hillsborough and Chatham County.
- CHT operates 23 fixed routes serving nearly 7 million rides annually. Routes include local transit service and express routes from 6 park and ride locations
- CHT operates a demand response service for the elderly and disabled persons in the community. A fleet of 15 vehicles is used to provide approximately 75,000 annual rides.
- In addition to transit operations, Chapel Hill Transit is responsible for the following:
 - Transit Vehicle maintenance
 - Bus/Van Procurement
 - Short range transit planning
 - Transit Marketing and public information
 - Compliance with state and federal requirements
 - Coordination of regional transit services
 - Budget/grant development and management
 - Transit System safety and security

TRANSIT



* Grant-funded positions.

TRANSIT DEPARTMENT

STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS

	2007-08 ADOPTED	2008-09 ADOPTED	2009-10 RECOMMENDED
Administration			
Director-Transit	1.00	1.00	1.00
Manager Systems Dev. Planning*	1.00	1.00	0.00
Assistant Director-Transit	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00
Coordinator-Scheduling/Run Cut*	1.00	1.00	1.00
Coordinator-Grants*	1.00	1.00	1.00
Coordinator-Project*	1.00	1.00	0.00
Planner*	0.50	0.50	0.00
Administrative Assistant	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00
Receptionist	1.00	1.00	1.00
Division Totals	10.50	10.50	8.00
Operations			
Transit Operations Manager	1.00	1.00	1.00
Coordinator-Safety and Training	1.00	1.00	1.00
Assistant Transit Operations Manager	1.00	1.00	1.00
Supervisor-Transit	4.00	4.00	4.00
Coordinator-Customer Service/Operations	1.00	1.00	1.00
Transit Dispatcher	4.82	4.82	4.82
Transit Operator III (E-Z Rider Driver)	12.41	12.41	12.62
Transit Operator II (Bus Driver)	114.23	114.23	114.60
Transit Operator I (Shared Rider Driver)	3.00	3.00	3.00
Transit Reservationist	1.50	1.50	1.50
Division Totals	143.96	143.96	144.54
Equipment Maintenance			
Superintendent-Transit Maintenance	1.00	1.00	1.00
Supervisor-Mechanic	2.00	2.00	2.00
Mechanic, Senior	1.00	1.00	1.00
Parts Manager	1.00	1.00	1.00
Maintenance Specialist	1.00	1.00	1.00
Mechanic	12.00	12.00	12.00
Bus Service Technician	2.00	2.00	2.00
Mechanic Helper	2.00	2.00	2.00
Administrative Clerk	1.00	1.00	1.00
Parts Clerk	1.00	1.00	1.00
Service Attendant	6.50	6.50	6.50
Division Totals	30.50	30.50	30.50
Transit Department Totals	184.96	184.96	183.04

*Grant-funded positions.

TRANSIT FUND

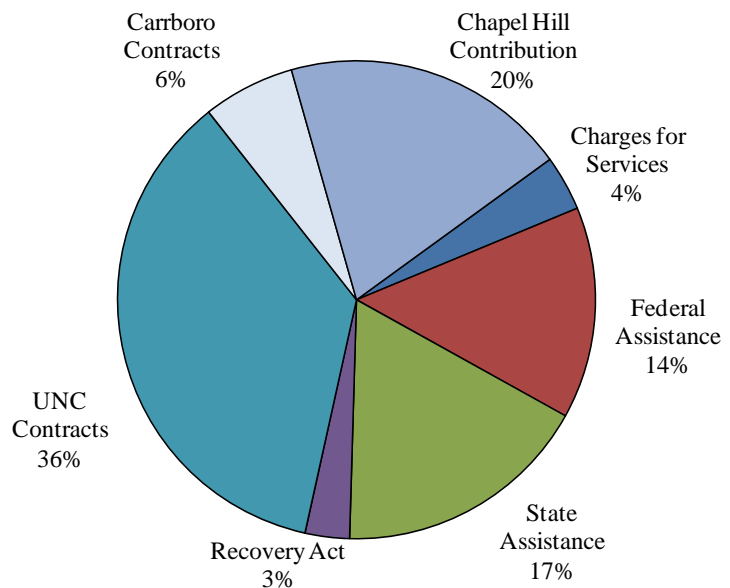
Major Revenue Sources - Descriptions and Estimates

The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro, the University of North Carolina and the UNC Health Care System on a contractual basis. In 2001, the transit system initiated fare free services, eliminating all fare box revenue and pass sale revenue previously collected for the system (with the exception of fares for the Tar Heel Express service provided for athletic and other special events for the University.)

The adopted budget for the Transit Fund for fiscal year 2009-10 totals about \$16.67 million. Below is a description of the major revenue sources for the Transit Fund. The pie chart below shows the major revenue sources for fiscal year 2009-10.

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 of about \$2.38 million in 2009-10, representing a reallocation of our federal award from capital purchases. Also included in federal assistance for FY10 is a one-time CMAQ totaling \$101,666. CMAQ funding must be used for projects that have a direct impact on improving air quality.



The Transit system also received \$500,000 as part of the America Recovery and Investment Act of 2009. This funding will be used for service repair parts and other required maintenance for the current fleet.

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. We estimate that the 2009-10 subsidy will decrease from \$3.3 million in 2008-09 to \$2.9 million in 2009-10.

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. Based on proposed routes, the University's share of cost for 2009-10 totals about \$6 million.

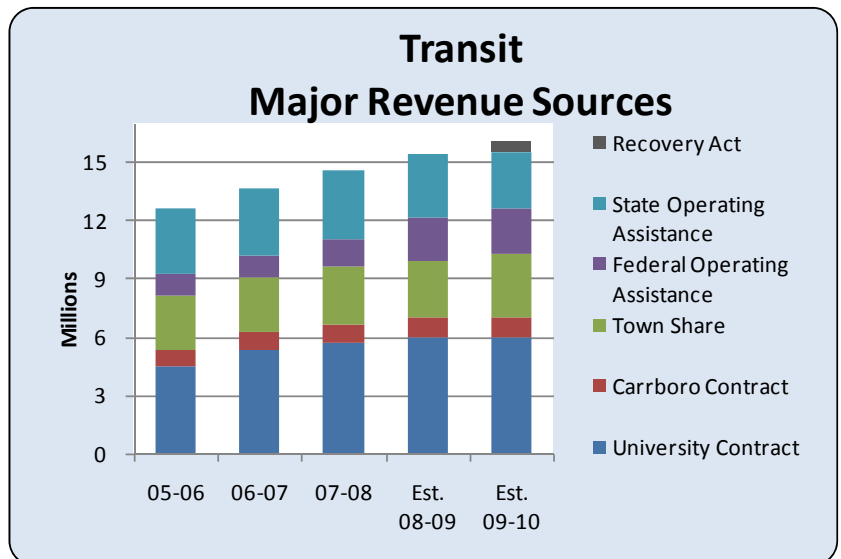
Carrboro Contract

The Town of Carrboro also contracts with the Town for transit service with costs also based on the Memorandum of Understanding. Carrboro's cost for the recommended budget totals about \$1.04 million.

Town Revenues

The Town's share of cost for the Transit system is funded primarily by a property tax levy for transit. The budget for the Transit Fund in fiscal year 2009-10 includes continuation of the tax rate of 4.8 cents for budgeted tax revenue of about \$3.1 million.

Other revenues expected for the system include about \$623,965 in special fares for the Tar Heel Express services and vehicle license fees.

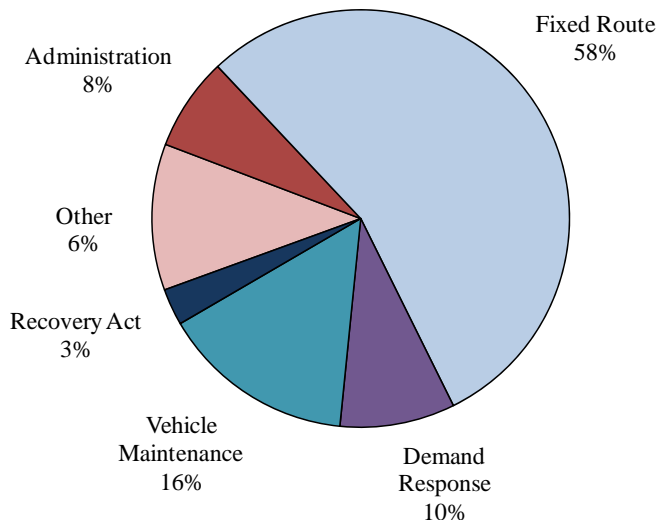


TRANSIT FUND

Major Expenditures - Descriptions and Estimates

The Town provides public transit services for the Town of Chapel Hill and to the neighboring Town of Carrboro, the University of North Carolina and the UNC Health Care System on a contractual basis.

The Transit Fund budget that continues fare free services for all routes in the system totals \$16.67 million for the recommended 2009-10 budget. Major expenditures of the system consist primarily of personnel, operating and maintenance costs for a planned fleet of 99 buses, two 15-passenger vans, 15 lift-equipped vans, 13 wagons or minivans, and four maintenance service trucks that provide transit service to the entire community.



The pie graph at the left illustrates the recommended 2009-10 budget, divided into Maintenance costs, Administration costs, Grant expenditures, and Operating costs that include Demand Response, Fixed Route, and Special Events. Operational costs total about \$11.54 million, Maintenance costs total about \$3.25 million and Administrative and Grants costs total about \$1.87 million.

The recommended budget for 2009-10 includes increases for administrative costs related to salaries that were previously grant funded, as well as anticipated increases in medical insurance expenses. With a more technologically advanced fleet and the nationwide failure of certain transmissions, vehicle maintenance presents another large category of operating expense increase in the Transit Fund budget.

TRANSIT

BUDGET SUMMARY

The recommended budget for the Transit Department supports continued fare-free service initiated during fiscal year 2001-02. The 2009-10 budget is based on the receipt of approximately \$2,810,000 in property taxes at a revenue neutral tax rate of \$4.1 cents/\$100 valuation. The recommended budget for 2009-10 also includes \$500,000 funded by the American Recovery and Reinvestment Act of 2009. While State assistance is expected to decrease in 2009-10, federal assistance is expected to increase by approximately 8.5%.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Admin & Non-Dept	2,395,562	770,535	890,882	1,391,977	1,272,804	65.2%
Grant-Funded	-	344,155	316,166	316,165	101,666	-70.5%
Recovery Act	-	-	-	-	500,000	N/A
Fixed Route	9,094,734	9,891,876	9,796,185	9,432,368	9,648,399	-2.5%
Demand Response	1,341,169	1,548,841	1,530,426	1,350,636	1,572,152	1.5%
Special Events	224,981	366,631	346,631	324,942	326,044	-11.1%
Vehicle Maintenance	3,158,810	3,330,362	3,253,927	3,206,718	2,649,088	-20.5%
Building Maintenance	-	-	-	-	603,479	N/A
Total	16,215,256	16,252,400	16,134,217	16,022,806	16,673,632	2.6%

REVENUES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Charges for Services	468,267	480,105	480,105	598,156	623,965	30.0%
Federal Assistance	1,440,308	2,201,666	2,201,666	2,201,666	2,389,666	8.5%
State Assistance	3,545,519	3,545,519	3,319,737	3,319,737	2,900,000	-18.2%
Recovery Act	-	-	-	-	500,000	N/A
UNC Contracts	5,699,525	6,005,404	6,005,404	6,005,404	5,988,321	-0.3%
Carrboro Contracts	907,492	1,033,837	1,033,837	1,033,837	1,038,180	0.4%
Chapel Hill Contribution	3,006,683	2,985,869	2,945,869	2,864,006	3,233,500	8.3%
Appropriated Fund Balance	1,147,462	-	147,599	-	-	N/A
Total	16,215,256	16,252,400	16,134,217	16,022,806	16,673,632	2.6%

TRANSIT - Administration and Non-Departmental BUDGET SUMMARY

The recommended budget for the Administrative and Non-Departmental divisions includes liability insurance and a transfer of \$257,176 to the Transit Capital Reserve fund for future capital grant matches. Personnel expense increases of 94.5% result from a decrease in grant funding, which previously offset administrative salaries, and anticipated increases in medical insurance costs. Operating expense increases of 7.5% result primarily from increased marketing and promotion costs.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	410,110	355,290	371,992	478,325	690,911	94.5%
Operating Costs	1,985,452	302,058	290,535	294,042	324,717	7.5%
Transfer to Capital Reserve	-	113,187	228,355	619,610	257,176	127.2%
Total	2,395,562	770,535	890,882	1,391,977	1,272,804	65.2%

TRANSIT - Grants

BUDGET SUMMARY

The recommended budget for 2009-10 cludes \$101,666 in one-time federal CMAQ grant funding. (A separate category has been established for American Recovery and Reinvestment Act grants for capital maintenance.) One-time grants included in 2008-09 are STP-DA, CMAQ Operating Assistance, New Freedom and JARQ grants.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	-	274,797	254,308	254,307	74,998	-72.7%
Operating Costs	-	69,358	61,858	61,858	26,668	-61.6%
Capital Outlay	-	-	-	-	-	N/A
Total	-	344,155	316,166	316,165	101,666	-70.5%

TRANSIT - Recovery Act

BUDGET SUMMARY

The recommended budget for 2009-10 reflects funding to be received through the American Recovery and Reinvestment Act of 2009. Funding will be used for service repair parts and other required maintenance for the current fleet.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	-	-	-	-	-	N/A
Operating Costs	-	-	-	-	500,000	N/A
Capital Outlay	-	-	-	-	-	N/A
	-	-	-	-		
Total	-	-	-	-	500,000	N/A

TRANSIT - Fixed Route

BUDGET SUMMARY

The recommended budget for 2009-10 reflects a 2.5% decrease overall, largely due to decreased diesel fuel costs over the previous year. Additionally, several facilities related expenses have been moved to Building Maintenance, a newly created division of the Transit Department. Personnel costs reflect a 17.4% increase in medical insurance for 2009-10.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	6,221,747	6,681,634	6,563,573	6,436,326	6,893,443	3.2%
Operating Costs	2,872,987	3,210,242	3,232,612	2,996,042	2,754,956	-14.2%
Capital Outlay	-	-	-	-	-	N/A
Total	9,094,734	9,891,876	9,796,185	9,432,368	9,648,399	-2.5%

TRANSIT - Demand Response

BUDGET SUMMARY

The recommended budget for 2009-10 reflects a 1.5% increase overall, resulting from increases in medical insurance and retiree medical expenses, partially offset by decreases in operating costs.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	1,031,359	1,132,684	1,121,769	1,006,121	1,181,795	4.3%
Operating Costs	309,810	416,157	408,657	344,515	390,357	-6.2%
Capital Outlay	-	-	-	-	-	N/A
Total	1,341,169	1,548,841	1,530,426	1,350,636	1,572,152	1.5%

TRANSIT - Tarheel Express / Special Events

BUDGET SUMMARY

The Tarheel Express/Special Events recommended budget for 2009-10 reflects an 11.1% decrease from the previous year resulting from decreased diesel fuel costs and savings from hiring off-duty Town police officers rather than outside security agents.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	179,099	235,442	235,442	218,755	230,348	-2.2%
Operating Costs	45,882	131,189	111,189	106,187	95,696	-27.1%
Capital Outlay	-	-	-	-	-	N/A
Total	224,981	366,631	346,631	324,942	326,044	-11.1%

TRANSIT - Vehicle Maintenance

BUDGET SUMMARY

The 43.8% decrease in operating costs for 2009-10 results from decreased fuel costs and the transfer of costs to the new Building Maintenance division for 2009-10.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	1,622,657	1,586,341	1,488,626	1,599,187	1,669,612	5.2%
Operating Costs	1,536,153	1,744,021	1,765,301	1,607,531	979,476	-43.8%
Capital Outlay	-	-	-	-	-	N/A
Total	3,158,810	3,330,362	3,253,927	3,206,718	2,649,088	-20.5%

TRANSIT - Building Maintenance

BUDGET SUMMARY

The recommended budget for 2009-10 reflects the creation of new division of Building Maintenance. The purpose of the new division is to more accurately depict expenses related to Transit Department facilities as opposed to vehicle maintenance. Budget was transferred from both Vehicle Maintenance and Administration to create this new division.

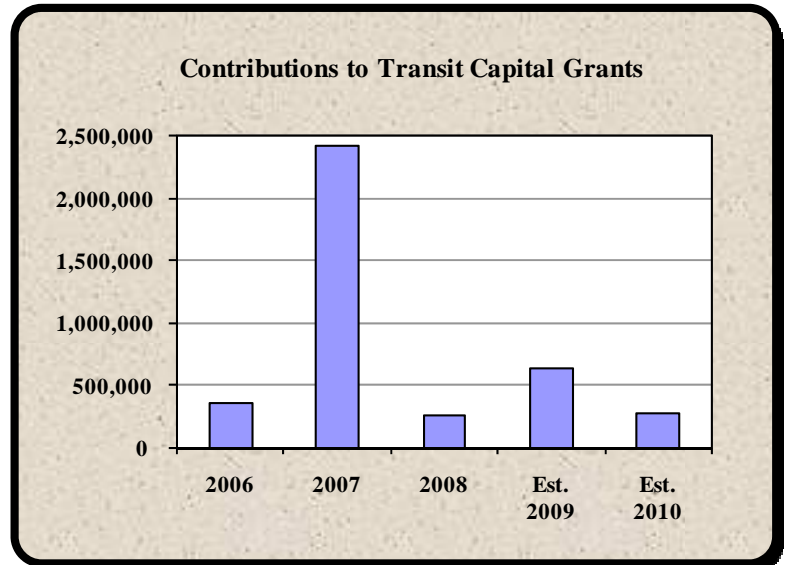
EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Personnel	-	-	-	-	92,357	N/A
Operating Costs	-	-	-	-	511,122	N/A
Capital Outlay	-	-	-	-	-	N/A
Total	-	-	-	-	603,479	N/A

TRANSIT CAPITAL RESERVE FUND

The Transit Capital Reserve Fund is used to account for funds reserved for matching capital funds for buses and facilities related to the Town's transportation system.

Donations vary substantially from year to year, depending on anticipated future needs for reserves.



TRANSIT CAPITAL RESERVE BUDGET SUMMARY

The Transit Capital Reserve Fund is intended to accumulate funding to make capital purchases and meet matching requirements for capital grants. With the completion of the Town Operations Center and its grant matching requirements, plans are to use the capital reserve funds for the purchase of replacement buses and other equipment. The recommended budget for 2009-10 includes a transfer to the reserve of \$257,176.

EXPENDITURES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Contribution to Capital Grant Reserve	263,315 -	647,000 -	647,000 115,168	164,428 473,992	151,212 131,764	-76.6% N/A
Total	263,315	647,000	762,168	638,420	282,976	-56.3%

REVENUES

	2007-08 Actual	2008-09 Original Budget	2008-09 Revised Budget	2008-09 Estimated	2009-10 Recommended Budget	% Change from 2008-09
Interest Income	60,504	20,000	20,000	13,864	25,000	25.0%
Other Income	-	-	-	4,946	800	N/A
Transfer from Transit Fund	-	113,187	228,355	619,610	257,176	127.2%
Appropriated Fund Balance	-	513,813	513,813	-	-	-100.0%
Total	60,504	647,000	762,168	638,420	282,976	-56.3%

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. Ten current project ordinances in the Transportation Department are shown below:

2005-06 Capital Grant

The project ordinance for the fiscal year 2005-06 Section 5307 capital grant was adopted on June 26, 2006. Funds are being used for the construction of the Transportation portion of the Town Operations Center.

	Project Budget	Estimated Expenditures Through June 30, 2009
2005-06 Transit Capital Grant	\$4,900,000	\$4,900,000

2006-07 Capital Grant

The project ordinance for the fiscal year 2006-07 Section 5307 capital grant was adopted on June 11, 2007. Funds are being used for the construction and project management of the Transit portion of the Town Operations Center.

	Project Budget	Estimated Expenditures Through June 30, 2009
2006-07 Transit Capital Grant	\$2,088,330	\$2,088,330

2006-07 Capital Grant

The project ordinance for the fiscal year 2006-07 Section 5307 capital grant was adopted on June 9, 2008. Funds are being used to supplement the purchase of replacement buses.

	Project Budget	Estimated Expenditures Through June 30, 2009
2006-07 Transit Capital Grant	\$225,953	\$50,000

2006-07 Capital Grant

The project ordinance for the fiscal year 2006-07 Section 5307 capital grant was adopted on June September 10, 2007. Funds are being used to design a park and ride lot in the NC 54 corridor.

	Project Budget	Estimated Expenditures Through June 30, 2009
2006-07 Transit Capital Grant	\$733,120	\$-0-

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

2006-07 Transit Capital and Planning Grant

The project ordinance for the fiscal year 2006-07 Section 5307 Transit Capital and Planning Grant was adopted on June 11, 2007. The funds are being used to continue the ongoing lease of a park and ride facility, to provide enhancements to bus shelter sites, to assist the department staff in conducting transit planning activities, and to prepare the annual Transportation Improvement Plan.

	Project Budget	Estimated Expenditures Through June 30, 2009
2006-07 Transit Capital and Planning Grant	\$844,140	\$65,000

2007-08 Transit Capital and Planning Grant

The project ordinance for the fiscal year 2007-08 Section 5307 Transit Capital and Planning Grant was adopted on June 9, 2008. The funds are being used to continue the ongoing lease of a park and ride facility, to provide enhancements to bus shelter sites, to assist the transportation department staff in conducting transit planning activities, to prepare the annual Transportation Improvement Plan, and to prepare annual statewide planning reports.

	Project Budget	Estimated Expenditures Through June 30, 2009
2007-08 Transit Capital and Planning Grant	\$633,143	\$62,000

2007-2008 Capital Grant

The project ordinance for the fiscal year 2007-08 Section 5307 capital grant was adopted on June 9, 2008.. Funds are being used to purchase replacement buses.

	Project Budget	Estimated Expenditures Through June 30, 2009
2007-08 Transit Capital Grant	\$1,813,586	\$1,813,586

2007-08 Capital Grant

The project ordinance for the fiscal year 2007-08 Section 5307 capital grant was adopted on June 9, 2008. Funds are being used to purchase replacement buses.

	Project Budget	Estimated Expenditures Through June 30, 2009
2007-08 Transit Capital Grant	\$2,870,000	\$2,870,000

2007-08 Capital Grant

TRANSIT CAPITAL GRANT PROJECT ORDINANCES

The project ordinance for the fiscal year 2007-08 Section 5307 capital grant was adopted on June 9, 2008. Funds are being used to purchase replacement buses.

	Project Budget	Estimated Expenditures Through June 30, 2009
2007-08 Transit Capital Grant	\$3,750,000	\$-0-

2008-09 Capital Grant

The project ordinance for the fiscal year 2008-09 Section 5307 capital grant was adopted on June 25, 2008. Funds are being used to purchase replacement demand response vans.

	Project Budget	Estimated Expenditures Through June 30, 2009
2008-09 Transit Capital Grant	\$500,000	\$500,000