

ITEM TITLE: Approve the Miscellaneous Budget Ordinance Amendment to Adjust Various Fund Budgets for FY 2024-25.

RESPONSIBLE DEPARTMENT: Business Management

ITEM DATE: April 9, 2025

BACKGROUND INFORMATION:

- **General Fund**

Article 46 – Orange County established a Collaborative Outreach program (Sales Tax Article 46), making funds available to the Town of Chapel Hill’s Economic Development Department for marketing and business recruitment purposes. Orange County has allocated \$37,788 in funding based on population for each county municipality. Chapel Hill intends to use the funds to support our efforts to increase community support and expand resources for local small businesses. Funds will be used to establish the first ever marketing campaign for a Chapel Hill Small Business Week, with includes a community call to action and marketing assets for all Chapel Hill small businesses. The funds will also be used to increase the capacity for business resources and relationship development through a partnership with the Chamber for a Greater Chapel Hill- Carrboro.

Occupancy Tax – The performance agreement between the Town of Chapel Hill and the Chapel Hill/Orange County Visitors Bureau states that the Town will pay the Visitors Bureau 50% of any occupancy tax revenues received greater than \$1,000,000. In FY 2024, the Town received \$1,763,709 in occupancy tax receipts. Fifty percent of \$763,709, or \$381,855, needs to be appropriated to the Visitors Bureau.

Durham Technical Community College (DTCC) partnership –DTCC receives funding from the state based on a per-hour-per-student rate for the training provided. DTCC is reimbursing the Chapel Hill Fire Department for the costs associated with training at the Town Training Center. This collaboration has been beneficial for both parties, as it allows for the training of new recruits and continued education for current personnel. With this partnership, the department’s professional development division can offer a wider range of courses. The Fire Department is requesting \$15,000 of the DTCC contribution for training supplies.

- **Capital Improvements Fund**

U.S. Conference of Mayors Grant – The Town received \$125,000 from the US Conference of Mayors to implement Wheels of Wellness. With these funds, the Town will hire a program support staff person, purchase a fleet of kid’s bikes and a trailer to transport them. The goal is to bring bike skills and joy to neighborhoods, after-school programs, summer camps, and events across Town through neighborhood block party style events.

- **Library Gift Fund**

State Library additional funding – The Library has received \$1,406 in Non-recurring State Aid from the State Library of North Carolina as part of Coronavirus State Fiscal Recovery Funds under the American Rescue Plan Act. Library will spend funds on supplies for our free period product program and technology for our print and copy services.

Library Foundation Award – The Library has received \$6,000 from the Chapel Hill Public Library Foundation for a mural in the redesigned Tech Lab on the lower level of the Library to enhance the flexible, functional new furnishings and create a welcoming and engaging space.

- **Transit Fund**

North South Bus Rapid Transit (NSBRT) Grant – Chapel Hill Transit has received a grant award for \$8,134,600 for NSBRT. This award is for the development activities related to the North South Bus Rapid Transit Project. Since beginning project development on 11/21/16, we have undertaken various activities including: 1) Planning efforts, which involve creating transit plans, conducting research for Community Action plans, and executing marketing and public outreach initiatives; 2) Engineering and design work for the corridor that encompasses developing workplans, designing bus stations, planning right-of-way (ROW) layouts, creating bicycle and pedestrian paths, facilitating meetings with designers, engineers, and CHT stakeholders, and assisting with environmental assessments; 3) Environmental assessments, including NEPA compliance and Section 106 considerations. These funds are designed to reimburse the Town for expenses already incurred and to generate a cash flow for ongoing expenses.

- **Parking Fund**

Parking Fund Balance - The Adopted FY25 budget assumed a full year's operation of the new East Rosemary Parking Deck with anticipated revenues of \$1,670,000. Due the delayed opening, the projected revenues are \$285,000, creating a shortfall. To offset this shortfall, the Wallace Deck has continued to be operational and is projected to yield \$635,000 in unbudgeted revenue. Additionally, interest is projected to exceed budget by \$260,000. To balance, an additional \$490,000 is needed from fund balance.

- **2015 Streets & Sidewalks Bond Fund**

Estes Drive Bicycle & Pedestrian Improvements – On September 25, 2019, The Town was awarded \$500,000 in federal STBG-DA funding for the Estes Dr. Connectivity Project. Funding for the local match was identified on January 27, 2021, through a contribution from OWASA in the amount of \$306,750 to improve a water main on Estes Dr. from Martin Luther King Jr. Blvd. to Caswell Rd. as part of the project. On June 21, 2023, an amendment was brought to Council that reduced the contract to include actual bid numbers which reduced the OWASA reimbursement by \$148,441. On October 25, 2023, an amendment was brought to Council that increased the reimbursement by an additional \$75,960. Since that time, the Town and OWASA have agreed on a final amount for the contract, which increases the OWASA contribution by \$6,337, bringing the contribution to \$240,606.

- **Affordable Housing Fund**

Interest Income – The Affordable Housing Fund has received \$67,278 in interest income. These funds would be used to support the implementation of the Town's Affordable Housing Plan.

- **2021 Limited Obligation Bonds (LOBS) Fund**

Bond Proceeds and Premium - The Town issued limited obligation bonds in August 2021 to fund the East Rosemary Deck project and Elliott Road Extension. The amount of bond proceeds and premium budgeted for the taxable portion of the borrowing (2021B LOBS) was higher than the amount we received by \$66,938 in proceeds and \$9,691 in premium. This item will reduce the proceeds and premium amounts to actual and will reduce the project expenditure budget accordingly.

- **Capital Projects Ordinance Fund**

Rogers Road – We anticipate the total amount of interest income available to appropriate in the Capital Projects Ordinance Fund at the end of the fiscal year will be \$74,239. These funds will be used towards the FY 2025 annual commitment to Rogers Road.