

**ITEM TITLE:** Approve the Miscellaneous Budget Ordinance Amendment to Adjust Various Fund Budgets for FY 2025-26.

**RESPONSIBLE DEPARTMENT:** Business Management

**ITEM DATE:** October 8, 2025

**BACKGROUND INFORMATION:**

- **General Fund**

Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP) Grant – The Bureau of Justice Assistance (BJA) Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP) First Responder Deflection Mentor Program provides communities (mentees) interested in starting or enhancing their own deflection efforts with the opportunity to learn from established and innovative deflection initiatives (mentors) that have shown success in supporting individuals with substance use disorders in their community. This initiative is focused on first responder-led or community responder deflection initiatives that serve individuals with opioid, stimulant, and other substance use disorders; mental health disorders; and co-occurring disorders that do not include justice involvement. Following an application process, the Chapel Hill Police Department Crisis Unit was recognized by the BJA as an exemplary model of multidisciplinary deflection programs and was selected to be a mentor site. The total grant award is \$1,000.

Durham Technical Community College (DTCC) - DTCC receives funding from the state based on a per-hour-per-student rate. They are reimbursing the Town for the costs associated with training we are offering at our 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 that would have otherwise been financially impractical. The total reimbursement is \$24,850 to be recognized and allocated towards training supplies.

- **Grants Fund**

FY 2026 Governor's Highway Safety Grant (GHSP) – The Town has been awarded a FY26 grant from the Governor's Highway Safety Program (GHSP) for \$174,986. This is a 100% grant that does not require a local match. The FY26 GHSP grant will be used to continue the Town's Vision Zero work, including full-time and part-time positions, overtime for police officers to conduct crosswalk and speed enforcement, community events and outreach, media campaigns, and quick build safety projects around Town and specifically on the high-injury network. This year's focus is to conduct outreach and implement safety improvements in Communities of Concern on and near the high-injury network.

FY 2026 Mobile Crisis Grant – The Crisis Assistance Response and Engagement Team (CARE Team) is a partnership between the Chapel Hill Police Department and Orange County. It was a 2-year pilot program serving the Town of Chapel Hill. We are entering year 3 of the program and have been allotted \$462,708 in funding for a second CARE Team. The program provides immediate crisis intervention and support services to persons with the goal of promoting overall stability and minimizing interactions with law enforcement, emergency mental health hospitalization, and incarceration. This is accomplished by providing remote or on-scene response and incident follow-up to behavioral & mental health, substance use, and intellectual developmental disability related calls that are non-emergent and do not require a law enforcement response. Each CARE Team consists of a 3-person, mobile team (Crisis Counselor, Peer Support Specialist, and Community EMT) and a Crisis Counselor embedded in the 911 Call

Center. The two teams will be housed at the CHPD, and the Call Diversion Crisis Counselor will be housed at Orange County Communications Center. UNC School of Government's Criminal Justice Innovations Lab will continue to analyze all relevant call data to evaluate the efficacy of service delivery of the program.

- **Transit Fund**

Section 5310 Grant – Chapel Hill Transit has been awarded a \$548,000 grant through the FTA Section 5310 Program, which supports enhanced mobility for seniors and individuals with disabilities. This funding will go toward our Senior Shuttle service, with the Federal Transit Administration reimbursing about 50% of project costs, or \$275,000. The grant was approved and awarded through the Triangle West Planning Organization (TWPO) and is part of a broader effort to provide transportation options to our community.

The adopted FY26 budget included \$52,000 in grant revenues that were incorrectly budgeted and need to be unrecognized.

Orange County Transit Plan – Chapel Hill Transit has programmed into the OCTP \$250,000 reimbursable for a Short-Range Transit Plan update. This project will update Chapel Hill Transit's 2020 Short Range Transit Plan (SRTP); conducting and analyzing an onboard customer survey for Chapel Hill Transit; evaluating the feasibility implementing a limited micro transit service pilot program; and assessing CHT's organizational structure and staffing capacity.

- **Library Gift Fund**

FY 2026 LSTA Grant – The Chapel Hill Library was awarded a FY26 LSTA grant award from the State Library of NC in the amount of \$86,000 with a \$9,600 match from the Friends of the Library. Funding will support the Chapel Hill Public Library's Responsive Wayfinding project. This project aims to improve the library's signage and wayfinding experience, making it more accessible and adaptable, particularly for non-English speakers and neurodiverse individuals. This project will involve designing, fabricating, and installing easy to understand, inclusive signage that incorporates visual aids, multiple languages, and user-centered design principles. Collaborating with community partners, including B3 Coffee and Refugee Community Partnership, the project will enhance the library's accessibility, helping visitors navigate the space with ease and feel welcomed throughout their visit.

UNC Work Study – The Chapel Hill Library will receive \$2,499 from the Friends of Chapel Hill Public Library to fund a work study position and \$2,465 in reimbursement wage costs from UNC for the student's wages. Participating in UNC's work study program supports Town-Gown relationships; helps students defray the cost of higher education; and exposes a diverse array of young adults to a public service mindset.

Unrecognize revenue – When entering budget information for the FY26, the department incorrectly budget additional revenue/expenditures for the Brick Memorial Gift. This amendment will unrecognized \$9,875 in revenue and expenditures.

- **Affordable Housing Development Reserve/Affordable Housing Fund**

Fund Merger – Consistent with the action Council took in January 2025 establishing the unified local Affordable Housing Funding Program, staff are combining the existing Affordable Housing Development Reserve and Affordable Housing Fund into a single multi-year fund. This will streamline the administration of our local affordable housing funding. Most of the funding has

already been allocated to affordable housing projects, programs, and services, with a small portion remaining as unallocated while we determine additional spending needs. The amendment will close the Affordable Housing Development Reserve Fund and transfer the revised budget amount of \$2,674,823 to the Affordable Housing Fund.

- **Transitional Housing Fund**

Program/Interest Income – The Town manages a Transitional Housing program that provides opportunities for families to move from public housing to the private housing market. The program currently includes 21 scattered site units of varying type, condition, and age that the Town maintains. The amendment will recognize \$203,826 in program/interest income to support rehabilitation projects and preventative maintenance.

- **2015 Streets and Sidewalks Bond Fund**

Old Durham Road Project – Wegmans Food Markets reimbursed the Town \$133,118 for expenses related to expediting construction along their frontage as part of the Old Durham Road project in 2020-2021. The Old Durham Road project was a federally funded project, managed by NCDOT, with a cost-share agreement between the Town and NCDOT. There were two contracts signed to ensure payment for the construction expedition – one between the Town and NCDOT making the Town financially responsible for the improvements, and one between the Town and Wegmans committing Wegmans to reimbursing the Town for the costs incurred. The agreement between the Town and Wegmans for the roadway improvements was signed by both parties in May 2020 and the Town sent Wegmans an invoice for the stated amount in May 2025 after receiving the final project invoice from NCDOT.

- **Capital Project Ordinance Fund**

Roger's Road transfer – The FY 2026 adopted budget includes \$204,948 in the General Fund to fund the Town's payment to Orange County for the Roger's Road project. This amendment is needed to recognize the transfer from the General Fund to the Capital Project Ordinance Fund.