



TOWN OF CHAPEL HILL

Town Hall
405 Martin Luther King Jr.
Boulevard
Chapel Hill, NC 27514

Legislation Text

File #: [21-0047], Version: 1

Approve the Miscellaneous Budget Ordinance Amendment to Adjust Various Fund Budgets for FY 2020-21.

Staff:

Amy Oland, Director
Matt Brinkley, Assistant Director

Department:

Business Management

Overview: After the Council adopts the annual budget, periodic changes require the Town to amend the current budget.

☆ **Recommendation(s):**

That the Council:

- Enact the attached budget ordinance amendment to adjust the General Fund, Stormwater Fund, and the Capital Improvements Fund; and
- Enact the attached project ordinance amendments to adjust the Affordable Housing Fund, Housing Capital Grants Fund, and the 2015 Streets and Sidewalks Bond Fund.

Key Issues:

- **General Fund**

Friends of Chapel Hill Parks & Recreation - In FY21 the Town of Chapel Hill Parks and Recreation Department entered into a Performance Agreement with the Friends of Chapel Hill Parks and Recreation. This nonprofit organization was created in the 1980's to enhance the Town of Chapel Hill's parks, greenways and recreational programs and facilities.

The Town of Chapel Hill's Parks and Recreation Department has received a gift of \$13,748 from the Friends of Chapel Hill Parks and Recreation for the purpose of supporting the Department's programs and facilities. Some specific program areas intended for this gift include aquatics, athletics, the Chapel Hill Community and Hargraves Community Centers, pickleball, therapeutics, and volleyball. Enactment of the attached budget ordinance amendment would recognize and appropriate the \$13,748 in Friends funds for support of Parks and Recreation programs.

Retiree Health Reimbursement - The Town administers a defined contribution plan through ICMA that is used to provide other postemployment benefits (OPEB) for all retirees who were hired after July 1, 2010. The Town contributes \$35 per biweekly payroll and employees contribute 1% of pretax earnings to a retiree employee health savings plan in their name. Participation is mandatory and the employee's portion is portable if the employee leaves the Town before retirement. The employer's portion vests according to the following schedule:

25%	After 5 years
50%	After 10 years
75%	After 15 years
100%	After 20 years

When an employee separates from the Town, the amount that the Town has contributed based on the schedule above is returned and set aside in a forfeiture account with ICMA. Over the 10 years that the Town has been under this model we have accumulated \$550,000. Based on the terms of the plan, the Town was able to request reimbursement of these funds to be used on personnel related costs. As a result of COVID-19 and the revenue shortfalls that the Town experienced heading into FY21, the Town could not offer a pay adjustment to employees. With these funds, a one-time bonus of \$800 is proposed for all full-time employees and a prorated amount for part-time and program support employees based on the number of hours worked. Enactment of the attached budget ordinance amendment would recognize the \$550,000 in forfeited retiree health contribution funds to be used towards the proposed one-time employee bonus.

- **Stormwater Fund**

The Town received funds from the Federal Emergency Management Agency (FEMA) to repair damages associated with Hurricane Florence in 2018. Funding is needed to repair damages along the embankment of the Lake Ellen Bridge. The Town is obligated to complete these repairs as a recipient of the FEMA funds. Enactment of the attached budget ordinance amendment would recognize and appropriate the \$34,300 in FEMA funds for the project.

- **Capital Improvements Funds**

On July 5, 2020, Town Hall was broken into and a small fire was set in the second-floor lobby. On July 29, 2020, Council approved a budget amendment of \$100,000 to allocate funds toward the clean-up. Fire restoration clean-up work is completed and the Town has received the insurance reimbursement for the damages in the amount of \$137,045.

In May of 2020, there were concerns related to the air quality at Fire Station #3. Based on conversations with HVAC contractors, the Public Works' Facilities Division recommends hiring a design professional to develop a scope of work to permanently resolve the issue. The estimate for this work is \$75,000.

A rooftop HVAC unit at the Police Department has exceeded its useful life and requires replacement. The unit serves a common briefing area and several upstairs offices. The underperforming unit places additional strain on other HVAC units that serve the 2nd floor that are also past their useful life cycles. The cost to replace the one HVAC unit is \$15,000.

Enactment of the attached budget ordinance amendment would recognize the \$137,045 for the Town Hall fire reimbursement and allocate \$75,000 towards the Fire Station #3 air quality assessment, \$15,000 towards the HVAC unit at the Police Department, with the remaining \$47,045 going towards reimbursement of the restoration work at Town Hall.

- **Affordable Housing Fund**

Revenue in Lieu - On November 2, 2020, the Town received \$250,000 in revenue in lieu of affordable housing for the Elliott Rd. Extension project. This funding is used to support affordable housing development and preservation projects that serve households earning less than 80% of the area median income. The Town and partner organizations typically use funds to purchase property for affordable housing, rental and utility assistance, and to support implementation of the Northside and Pine Knolls Community Plan. Enactment of the attached project ordinance amendment would recognize the revenue in lieu and allocate the funds towards affordable housing efforts.

Emergency Housing Assistance - The Town has received \$9,395 from community donations for the Emergency Housing Assistance Program. Enactment of the attached project ordinance amendment would recognize the community donations of \$9,395 and would appropriate the funds to provide support to town residents experiencing a housing crisis.

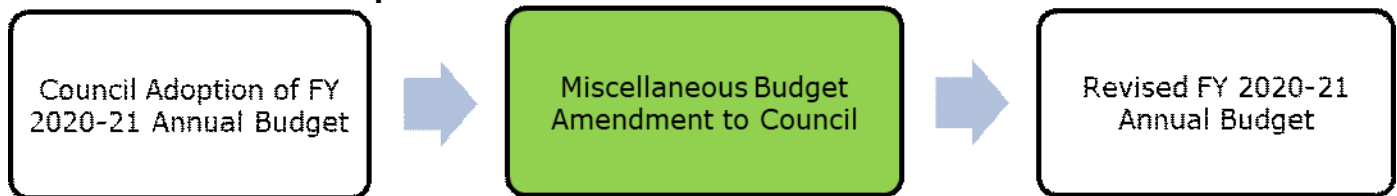
- **Housing Capital Grants Fund**

The U.S. Department of Housing and Urban Development (HUD) is awarding additional Capital Funding. As a result, HUD’s Office of Capital Improvements revised the amounts of all 2020 Capital Fund Program (CFP) Formula Grants to distribute an additional \$16,846,352 in capital funds to all agencies who received funding. Public Housing Agencies (PHA) will see an increase in their 2020 CFP Formula Grant awards, and these adjustments will be about 0.5% of the 2020 original grant award for most PHAs. The Town’s increase is \$4,938 and is committed to continued improvement and maintenance on public housing units. Enactment of the attached project ordinance amendment for the Housing Capital Grants Fund recognizes and appropriates the \$4,938 in additional HUD funding towards housing maintenance.

- **2015 Streets and Sidewalks Bond Fund**

On September 25, 2019, the Town was awarded \$500,000 in federal STBG-DA funding for the Estes Dr. Connectivity Project. This grant award required a local match of \$100,000 that was not identified when the grant was brought before Council. Funding for the local match has now been identified through OWASA’s contribution of \$307,650 to improve a water main on Estes Dr. from Martin Luther King Jr. Blvd. to Caswell Rd as part of the project. Enactment of the attached project ordinance amendment for the 2015 Streets and Sidewalks Bond Fund recognizes and appropriates the \$307,650 in funding from OWASA towards the project.

Where is this item in its process?



Attachments:

- Budget Ordinance
- Project Ordinance - Affordable Housing Fund
- Project Ordinance - Housing Capital Grants Fund
- Project Ordinance - 2015 Streets & Sidewalks Bond Fund

AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2020" (2021-01-27/O-1)

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Budget Ordinance entitled "An Ordinance Concerning Appropriations and the Raising of Revenue for the Fiscal Year Beginning July 1, 2020" as duly adopted on June 24, 2020, be and the same is hereby amended as follows:

ARTICLE I

APPROPRIATIONS	Current Budget	Increase	Decrease	Revised Budget
GENERAL FUND				
Mayor/Council	\$ 419,020	\$ -	\$ -	\$ 419,020
Town Manager/CaPA	2,949,041	-	-	2,949,041
Human Resource Dev't	1,902,810	-	-	1,902,810
Business Management	2,330,886	-	-	2,330,886
Technology Solutions	2,386,765	-	-	2,386,765
Attorney	391,747	-	-	391,747
Planning & Sustainability	2,177,472	-	-	2,177,472
Building and Development Services	2,403,013	-	-	2,403,013
Housing and Community	834,709	-	-	834,709
Public Works	12,465,577	-	-	12,465,577
Police	13,946,421	-	-	13,946,421
Fire	9,700,234	-	-	9,700,234
Parks and Recreation	7,244,329	13,748	-	7,258,077
Library	3,715,709	-	-	3,715,709
Non-Departmental	4,976,192	550,000	-	5,526,192
	<u>\$ 67,843,925</u>	<u>\$ 563,748</u>	<u>\$ -</u>	<u>\$ 68,407,673</u>
STORMWATER MANAGEMENT FUND				
Other Expenses	\$ 6,131,592	\$ -	\$ -	\$ 6,131,592
Lake Ellen Bridge	-	34,300	-	34,300
	<u>\$ 6,131,592</u>	<u>\$ 34,300</u>	<u>\$ -</u>	<u>\$ 6,165,892</u>
CIP FUND				
Other Projects	\$ 581,728	\$ -	\$ -	\$ 581,728
Town Hall Fire	100,000	47,045	-	147,045
Police Department HVAC	-	15,000	-	15,000
Fire Station #3 Air Assessment	-	75,000	-	75,000
	<u>\$ 681,728</u>	<u>\$ 137,045</u>	<u>\$ -</u>	<u>\$ 818,773</u>

ARTICLE II

REVENUES	Current Budget	Increase	Decrease	Revised Budget
GENERAL FUND				
Other Revenues	\$ 67,843,925	\$ -	\$ -	\$ 67,843,925
Retiree Health Reimbursement	\$ -	\$ 550,000	\$ -	550,000
Friends of Parks & Rec	-	13,748	-	13,748
	<u>\$ 67,843,925</u>	<u>\$ 563,748</u>	<u>\$ -</u>	<u>\$ 68,407,673</u>
STORMWATER MANAGEMENT FUND				
Other Revenues	\$ 6,131,592	\$ -	\$ -	\$ 6,131,592
FEMA Reimbursement	-	34,300	-	34,300
	<u>\$ 6,131,592</u>	<u>\$ 34,300</u>	<u>\$ -</u>	<u>\$ 6,165,892</u>
CIP FUND				
Other Revenues	\$ 681,728	\$ -	\$ -	\$ 681,728
Insurance Reimbursement	-	137,045	-	137,045
	<u>\$ 681,728</u>	<u>\$ 137,045</u>	<u>\$ -</u>	<u>\$ 818,773</u>

This the 27th day of January, 2021.

AN ORDINANCE TO AMEND THE AFFORDABLE HOUSING FUND ORDINANCE (2021-01-27/O-2)

BE IT ORDAINED by the Council of the Town of Chapel Hill that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the Affordable Housing Fund Ordinance to provide funds to support affordable homeownership opportunities is hereby amended as follows:

SECTION I

The Affordable Housing Fund Ordinance as authorized by the Town Council provides funds to purchase properties to create permanently affordable homeownership opportunities.

SECTION II

The Manager of the Town of Chapel Hill is hereby directed to proceed with implementation of these projects within terms of funds appropriated here.

SECTION III

Revenues anticipated to be available to the Town are hereby amended as follows:

	Current Budget	Revised Budget
Transfer from Housing Loan Trust Fund	\$ 155,778	\$ 155,778
Loan Repayment	650,799	650,799
Payment in lieu - Affordable Housing	3,252,576	3,502,576
Donations - Rental Assistance	27,147	36,542
Interest Income	<u>54,612</u>	<u>54,612</u>
Total Revenues	\$ 4,140,912	\$ 4,400,307

SECTION IV

Amounts appropriated to create permanently affordable homeownership opportunities are hereby amended as follows:

	Current Budget	Revised Budget
Grants/Deferred Loans	\$ 1,167,141	\$ 1,426,536
Revolving Loan Fund	650,800	650,800
Rehabilitation & Refurbishment	106,511	106,511
Contributions to HOME Program	338,974	338,974
Contributions to Affordable Housing agencies	165,000	165,000
Contributions to Community Home Trust	394,242	394,242
Contributions to Affordable Housing	632,100	632,100
Rental Assistance	77,147	77,147
Homestead Road project	100,000	100,000
Professional Services	50,000	50,000
Miscellaneous Contracted Services	75,000	75,000
Legal Fees	380,000	380,000
Other Expenditures	<u>3,997</u>	<u>3,997</u>
Total Expenditures	\$ 4,140,912	\$ 4,400,307

SECTION V

The Manager is directed to report annually on the financial status of the project in an informational section to be included in the Annual Budget, and shall keep the council informed of any unusual occurrences.

SECTION VI

Copies of this amended projects ordinance shall be entered into the minutes of the Council and copies shall be filed within five days of adoption with the Manager, Business Management Director and Town Clerk."

This the 27th day of January, 2021.

AN ORDINANCE TO AMEND A CAPITAL FUND PROGRAM (CFP) PROJECT ORDINANCE (2021-01-27/O-3)

BE IT ORDAINED by the Council of the Town of Chapel Hill that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby amended as follows:

"SECTION I

The project authorized is the Housing Capital Fund Project budget as approved by the Council on September 5, 2018.

SECTION II

The Manager of the Town of Chapel Hill is hereby directed to proceed with implementation with the project within the terms of the Contract document(s), the rules and regulations of the U.S. Department of Housing and Urban Development, and budget contained herein.

SECTION III

The following revenue is available to complete the project:

	Current Budget	Revised Budget
Capital Fund Program	\$ 789,318	\$ 794,256
Total Revenues	\$ 789,318	\$ 794,256

SECTION IV

The amounts appropriated for the project are amended as follows:

	Current Budget	Revised Budget
Public Housing Renovations	\$ 500,000	\$ 500,000
Building Improvements	107,076	112,014
Public Housing Master Plan	50,000	50,000
Neighborhood Signage	54,018	54,018
Administrative Costs	78,224	78,224
Total Expenditures	\$ 789,318	\$ 794,256

SECTION V

The Finance Officer of the Town of Chapel Hill is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to the U.S. Department of Housing and Urban Development as required by the Annual Contributions Contract and federal

regulations.

SECTION VI

Funds may be advanced from General funds for the purpose of making payments as due. Reimbursement requests should be made to HUD in an orderly and timely manner.

SECTION VII

The Manager is directed to report annually on the financial status of each project in Section IV and on the total revenues received.”

This the 27th day of January, 2021.

AN ORDINANCE TO AMEND THE 2015 STREETS AND SIDEWALKS BOND FUND FOR CAPITAL IMPROVEMENT PROJECTS (2021-01-27/O-4)

BE IT ORDAINED by the Council of the Town of Chapel Hill that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, that the following capital project is hereby amended for Streets and Sidewalk Improvements funded from 2015 General Obligation bonds approved by the voters in November 2015:

"SECTION I

The capital projects as authorized by bond referenda approved in November 2015, and as determined by the Town Council, includes streets and sidewalks capital improvements extending beyond one year.

SECTION II

The Manager of the Town of Chapel Hill is hereby directed to proceed with implementation of these projects within terms of funds appropriated here.

SECTION III

Revenues anticipated to be available to the Town to complete the project are hereby amended as follows:

	Current Budget	Revised Budget
Bond Proceeds	\$ 8,500,000	\$ 8,500,000
Premium on Bonds	878,998	878,998
NCDOT Grant - Sidepath Along Fordham	846,400	846,400
STBGDA Grant - Homestead Road	1,040,000	1,040,000
Community Waste Recycling Grant	14,768	14,768
Transfer from General Fund	1,025	1,025
OWASA Contribution	-	306,750
Payment in Lieu - Estes Drive	107,237	107,237
Interest on Bonds - Estes Drive	43,018	43,018
CMAQ Grant - Estes Drive	2,886,618	2,886,618
STPGDA Grant - Estes Drive	506,400	506,400
Total Revenues	<u>\$ 14,824,464</u>	<u>\$ 15,131,214</u>

SECTION IV

Amounts appropriated for capital projects are hereby amended as follows:

	Current Budget	Revised Budget
Bond Issuance Costs	\$ 237,146	\$ 237,146
Capital Project Management & Faciliation	451,852	451,852
Martin Luther King Jr Blvd Crosswalks	193,581	193,581
S Columbia St Pavement Marking Plan	11,400	11,400
Market St Crosswalks	47,120	47,120
Longview Drive Traffic Signal	156,933	156,933
Street Resurfacing - 2017	404,424	404,424
Rosemary Street Lighting	336,030	336,030
Rosemary Street Resurfacing	395,576	395,576
Rosemary Street Pavement Markings	54,100	54,100
Amber Alley Lighting	13,970	13,970
Downtown Streetscape - 2017	61,599	61,599
Friday Center Drive Reconstruction	200,000	200,000
Ephesus Fordham Traffic Impact Analysis	190,000	190,000
Traffic Calming	113,000	113,000
Pavement Markings	74,000	74,000
Audible Pedestrian Signals	20,000	20,000
Sidewalks	774,000	774,000
Sidepath Along Fordham	1,058,000	1,058,000
Recycling Receptacles	18,460	18,460
1% for Art - 2017	30,000	30,000
Estes Drive Bike/Ped MLK to Caswell	4,116,273	4,423,023
Seawell School Road Sidewalk	286,300	286,300
Ephesus Church Road Sidewalk	17,796	17,796
Homestead Road Sidewalk	2,040,400	2,040,400
Street Resurfacing - 2018	775,000	775,000
Varsity&Post Office Alley Improvements	300,000	300,000
Downtown Streetscape - 2018	500,000	500,000
Estes Drive Bike/Ped MLK to Carrboro	70,000	70,000
Old Durham Chapel Hill Road Bike/Ped	1,822,504	1,822,504
1% for Art - 2018	55,000	55,000
Total Expenditures	\$ 14,824,464	\$ 15,131,214

SECTION V

The Town Manager is hereby directed to report annually on the financial status of the project in an informational section to be included in the Annual Budget, and shall keep the council informed of any unusual occurrences.

SECTION VI

Copies of this amended projects ordinance shall be entered into the minutes of the Council and copies shall be filed within five days of adoption with the Manager, Business Management Director and Town Clerk.”

This the 27th day of January, 2021.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By enacting the budget ordinance amendment, the Council adjusts the General Fund, Stormwater Fund, and Capital Improvements Fund FY 2021 budgets. By enacting the projects ordinance amendments, the Council adjusts the Affordable Housing Fund, Housing Capital Grants Fund, and the 2015 Streets and Sidewalks Bond Fund.