



TOWN OF CHAPEL HILL

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

Legislation Text

File #: [22-0500], Version: 1

Approve the Miscellaneous Budget Ordinance Amendment to Adjust Various Fund Budgets for FY 2021-22.

Staff:

Amy Oland, Director
Matt Brinkley, Assistant Director

Department:

Business Management

Overview: After the Council approves 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, Downtown Service District Fund, Library Gift Fund, Debt Fund, and Off-Street Parking Fund; and
- Enact the attached project ordinance amendment to adjust the Housing Capital Grants Fund.

Key Issues:

• **General Fund**

The Town partnered with the University of North Carolina - Chapel Hill to reconstruct Country Club Road. The University committed \$75,000 to this project. In November of 2021, the Town completed this project and received the funding from the University. Enactment of the attached budget ordinance amendment would recognize and appropriate the \$75,000 from UNC for town-wide street resurfacing needs.

• **Downtown Service District Fund**

The FY 2021-22 budget included a budget of \$100,000 for 140 West expenses. Based upon our analysis of anticipated expenditures through year end, we expect to need an additional \$10,000 from fund balance for the Downtown Service District Fund to break even. Enactment of the attached budget ordinance amendment would allocate \$10,000 in fund balance to ensure that the fund is balanced at year end.

• **Library Gift Fund**

The Chapel Hill Public Library has received a \$900 donation from the East Chapel Hill Rotary Club Foundation to purchase native plants and trees to be installed in Pritchard Park in support of the Library's Explore More environmental education initiative. Enactment of the attached budget ordinance amendment would recognize and appropriate the \$900 from the East Chapel Hill Rotary Club Foundation in support of the Library's Explore More project.

• **Debt Fund & Off-Street Parking Fund**

On August 12, 2021, the Town closed on the issuance of \$51.526 million of limited obligation bonds (LOBS). The total amount of the proceeds, including a bond premium, is \$58,241,903. \$39,000,000 is for the East Rosemary Parking Deck project, \$6,480,000 is for the Blue Hill District

Phase II - Elliott Road Reconstruction project, \$12,241,044 is to pay off the Series 2012 LOBS and 2015 installment purchase contract, and \$520,859 is to pay costs associated with the financing. The new debt issuance and refinancing changed the total amount of debt service payments for FY 2022 in both the Debt Fund and Parking Fund, which now need to be amended.

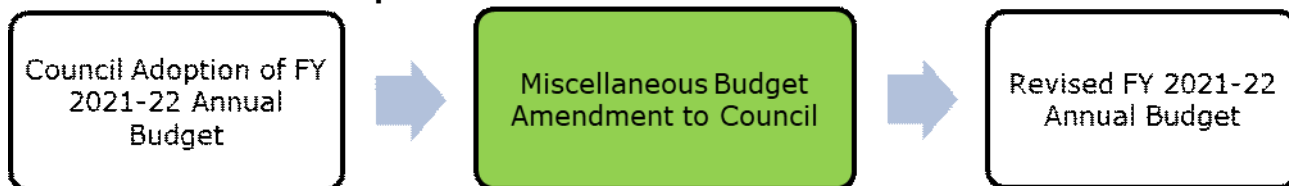
Enactment of the attached budget ordinance amendment will reduce the Debt Fund debt service payment by \$757,288 (\$545,000 in principal and \$212,288 in interest), increase the transfer to the Parking Fund needed to balance that fund by \$1,558,976, reduce the transfer from the Parking Fund to the Debt Fund by \$916,832, and reduce the contribution to reserve by \$1,718,520 to balance the Debt Fund.

Enactment of the attached budget ordinance amendment will increase the Parking Fund debt service payment by \$1,874,213 (\$836,000 in principal and \$1,038,213 in interest), increase the transfer needed from the Debt Fund by \$1,558,976, reduce the transfer to the Debt Fund by \$916,832, reduce the American Rescue Plan Funds originally budgeted to balance the fund by \$1,141,223, increase the Wallace Deck daily revenues budget by \$350,000 and reduce salaries by \$189,658.

- **Housing Capital Grant Fund**

The Town receives annual capital funding from the U.S. Department of Housing and Urban Development (HUD). In FY15, the Town was allocated \$449,057 in Capital Grant Funds from HUD. Staff transitions prevented adequate time to fully expend the entirety of the funds. The original intent of the funding was for renovation of Oakwood apartments and appliance replacement at Pritchard Park. Of the allocation, \$191,680 was spent and the period to spend the remaining \$257,377 lapsed. Enactment of the attached project ordinance will reduce the grant revenue and expenditures in the amount of \$257,377.

Where is this item in its process?



Attachments:

- Budget Ordinance
- Project Ordinance - Housing Capital Grants Fund

AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2021" (2022-06-08/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, 2021" as duly adopted on June 9, 2021, be and the same is hereby amended as follows

ARTICLE I

APPROPRIATIONS	Current Budget	Increase	Decrease	Revised Budget
GENERAL FUND				
Mayor/Council	\$ 492,520	\$ -	\$ -	\$ 492,520
Town Manager/CaPA	3,274,278	-	-	3,274,278
Human Resource Dev't	2,009,707	-	-	2,009,707
Business Management	2,615,541	-	-	2,615,541
Technology Solutions	2,547,572	-	-	2,547,572
Attorney	577,687	-	-	577,687
Planning & Sustainability	2,423,422	-	-	2,423,422
Building and Development Services	2,518,666	-	-	2,518,666
Afford Hsg & Community Connections	1,293,694	-	-	1,293,694
Public Works	13,657,106	75,000	-	13,732,106
Police	13,438,173	-	-	13,438,173
Fire	10,203,486	-	-	10,203,486
Parks and Recreation	7,510,326	-	-	7,510,326
Library	3,885,064	-	-	3,885,064
Non-Departmental	<u>11,092,636</u>	<u>-</u>	<u>-</u>	<u>11,092,636</u>
	\$ 77,539,878	\$ 75,000	\$ -	\$ 77,614,878
DOWNTOWN SERVICE DISTRICT	\$ 482,491	\$ 10,000	\$ -	\$ 492,491
LIBRARY GIFT FUND				
Other Expenses	\$ 678,535	\$ -	\$ -	\$ 678,535
East Chapel Hill Rotary Club Found.	<u>-</u>	<u>900</u>	<u>-</u>	<u>900</u>
	\$ 678,535	\$ 900	\$ -	\$ 679,435
DEBT SERVICE FUND				
Other Expenses	\$ 12,246,253	\$ -	\$ -	\$ 12,246,253
Bond Principal	5,556,000	-	545,000	5,011,000
Bond Interest	1,954,975	-	212,288	1,742,687
Transfer to Parking Fund	-	1,558,976	-	1,558,976
Contribution to Reserve	<u>6,538,957</u>	<u>-</u>	<u>1,718,520</u>	<u>4,820,437</u>
	\$ 26,296,185	\$ 1,558,976	\$ 2,475,808	\$ 25,379,353

OFF-STREET PARKING FUND

Other Expenses	\$ 1,565,565	\$ -	\$ -	\$ 1,565,565
Full Time Salaries	40,916	-	40,916	-
Program Support Salaries	148,742	-	148,742	-
Bond Principal	-	836,000	-	836,000
Bond Interest	-	1,038,213	-	1,038,213
Transfer to Debt Fund	916,832	-	916,832	-
	<u>\$ 2,672,055</u>	<u>\$ 1,874,213</u>	<u>\$ 1,106,490</u>	<u>\$ 3,439,778</u>

ARTICLE II

REVENUES	<u>Current Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Revised Budget</u>
GENERAL FUND				
Other Revenues	\$ 77,539,878	\$ -	\$ -	\$ 77,539,878
UNC Contributions	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
	\$ 77,539,878	\$ 75,000	\$ -	\$ 77,614,878
DOWNTOWN SERVICE DISTRICT				
Other Revenues	\$ 465,500	\$ -	\$ -	\$ 465,500
Appropriated Fund Balance	<u>16,991</u>	<u>10,000</u>	<u>-</u>	<u>26,991</u>
	\$ 482,491	\$ 10,000	\$ -	\$ 492,491
LIBRARY GIFT FUND				
Other Expenses	\$ 678,535	\$ -	\$ -	\$ 678,535
East Chapel Hill Rotary Club Found.	<u>-</u>	<u>900</u>	<u>-</u>	<u>900</u>
	\$ 678,535	\$ 900	\$ -	\$ 679,435
DEBT SERVICE FUND				
Other Revenues	\$ 25,379,353	\$ -	\$ -	\$ 25,379,353
Transfer from Parking Fund	<u>916,832</u>	<u>-</u>	<u>916,832</u>	<u>-</u>
	\$ 26,296,185	\$ -	\$ 916,832	\$ 25,379,353
OFF-STREET PARKING FUND				
Other Revenues	\$ 1,430,832	\$ -	\$ -	\$ 1,430,832
Wallace Deck Daily Revenues	100,000	350,000	-	450,000
American Rescue Plan Funds	1,141,223	-	1,141,223	-
Transfer from Debt Fund	<u>-</u>	<u>1,558,946</u>	<u>-</u>	<u>1,558,946</u>
	\$ 2,672,055	\$ 1,908,946	\$ 1,141,223	\$ 3,439,778

This the 8th day of June, 2022.

AN ORDINANCE TO AMEND A CAPITAL FUND PROGRAM (CFP) PROJECT ORDINANCE (2022-06-08/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 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 8, 2014.

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	<u>\$ 449,057</u>	<u>\$ 191,680</u>
Total Revenues	\$ 449,057	\$ 191,680

SECTION IV

The amounts appropriated for the project are amended as follows:

	Current Budget	Revised Budget
Administration	\$ 44,905	\$ 44,905
Building Improvements	272,991	111,141
Professional Services	15,642	-
Maintenance Training	1,176	1,176
Small Equipment	23,889	23,889
Section 504 Compliance	<u>90,454</u>	<u>10,569</u>
Total Expenditures	\$ 449,057	\$ 191,680

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 8th day of June, 2022.

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, Downtown Service District Fund, Library Gift Fund, Debt Fund, and Off-Street Parking Fund. By enacting the project ordinance amendment, the Council adjusts the Housing Capital Grants Fund.