

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

RESPONSIBLE DEPARTMENT: Business Management

ITEM DATE: April 15, 2026

BACKGROUND INFORMATION:

- **General Fund**

Fire Water Rescue Truck – On July 6, 2025, Chapel Hill Fire was dispatched to numerous calls for service due to Tropical Storm Chantal. Multiple rescues were taking place at Camelot Village. These units were positioned in ideal locations for operations, and one unit was parked in the bank parking lot to ensure access for additional responding units. The water rose much quicker than anticipated and rose above the hood of the F550 USAR Truck and entered the cab of the vehicle. Ultimately, this damaged all the electrical components of the vehicle and resulted in the vehicle being a total loss. We have purchased a new F550 and will upfit it to be identical to the unit that was flooded. The budget amendment will recognize insurance proceeds in the amount of \$69,050.

Durham Tech Funding – Durham Technical Community College receives funding from the state based on a per-hour-per-student rate. They are reimbursing the Chapel Hill Fire Department for the costs associated with training that is offered at the Training Center in the amount of \$24,550. 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 is able to offer a wider range of courses that would have otherwise been financially impractical.

- **Grants Fund/Capital Improvements Fund**

Safe Routes to School Grant supplemental funding – The Town received a letter on March 14, 2026 stating that we will receive \$155,000 (\$124,000 federal/ \$31,000 local) in additional Safe Routes to School grant funding. \$75,000 of the funding will be used to construct curb ramps and a crosswalk with Rectangular Rapid Flashing Beacons (RRFBs) at Estes and Halifax, which was one of the top priority projects in the 2025 Safe Routes to School Action Plan. \$50,000 will be used to partner with Community Arts and Culture to create asphalt art projects to increase safety around schools, \$12,500 will be used to continue Safe Routes to School programming through the extended grant termination date of December 31, 2026 (6 months after the original termination date), and \$17,500 to use towards the expected 4% NCDOT administrative fee for the grant.

- **Debt Fund**

Debt Service Payments – In June 2025 the Town closed on \$10,630,000 in Series 2025 General Obligation Bonds. The bonds closed after the FY 2026 budget was adopted and now the FY 2026 debt service (\$841,861) needs to be budgeted. The Debt Fund needs to appropriate the principal (\$535,000) and interest (\$306,861) payments.

- **Stormwater Fund**

Fund Balance appropriation – \$250,000 in additional funds are needed for design and engineering services related to current stormwater maintenance projects (e.g. Bolinwood Drive Pipe Replacement Project and North Street Pipe Replacement Project) and to implement a FEMA program called Community Rating Service. Additionally, \$750,000 is needed for the

construction of stormwater pipe replacement projects on Bolinwood Drive and on North Street to allow for sustainable drainage related to the East Rosemary Parking Deck.

- **Public Housing Fund**

Tropical Storm Chantal – The Town needs to recognize \$653,457 in insurance proceeds and appropriate \$1,582,185 in fund balance for costs related to Tropical Storm Chantal. Funds allocated will cover remediation and restoration services necessary to return storm-damaged units located in the Airport Gardens and South Estes communities to safe and livable conditions. The scope of work includes water mitigation, hazardous materials abatement, replacement of drywall, flooring, cabinetry, and countertops, and plumbing and electrical upgrades. These funds will also cover relocation costs for families displaced by Tropical Storm Chantal during the restoration of affected units. The Town anticipates receiving some amount of reimbursement from FEMA, but at this time, we don't know how much that will be. We are requesting to allocate fund balance to cover the funding gap until the project work is completed and total costs and reimbursements have been determined.

- **Affordable Housing Fund**

Revenue in Lieu - Hillmont – Town Council approved a modification to the conditional zoning permit for the Hillmont Residential Project in November 2025, which revised the developer's commitment to affordable housing by replacing 23 of the 43 committed affordable units with \$1,150,000 in funding to be deposited into the Town's local Affordable Housing Funding Program. This funding will support eligible affordable housing development and/or preservation activities and projects.

Interest Income – The Affordable Housing Fund has received \$33,849 in interest income. These funds would be used to support the implementation of the Town's Affordable Housing Plan.

- **Transit Capital Grants Fund/Transit Fund**

Additional Local Match – In January 2025, the Town received a grant from Orange Public Transit (via NCDOT) for their share of a Section 5339 grant funding split. The grant was used to purchase an additional charging unit to support the Town's expanding fleet of Battery Electric Buses. Additional local matching funds were needed from the Transit Fund in order to complete the project in the amount of \$23,000.

Community Project Funding – Chapel Hill Transit was awarded \$2,000,000 in grant funding through FTA's Community Project Funding on September 25, 2025. There is a local match of \$500,000 that will come from Transit Fund fund balance. These funds will be used to purchase two zero-emission electric buses and charging stations.

Block Grant Direct Attributable Program (BGDA) – The Town was awarded \$361,000 in FTA funds requiring a match of \$90,250, which will come from the Transit Fund fund balance. The funds will be allocated to improve bus stop accessibility, safety, and security.