

## City Council – Action Request Form

**Date:** June 13, 2022

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Scott Tesh, Budget and Performance Management Director

**Council Action Requested:**

Ordinance Amending the Fiscal Year 2021-22 Budget Ordinances for the City of Winston-Salem, North Carolina

**Strategic Focus Area:** Service Excellence

**Strategic Objective:** Maintain City's Financial Strength

**Strategic Plan Action Item:** No

**Key Work Item:** No



**Summary of Information:**

The proposed amendments to the Fiscal Year 2021-22 budget ordinances authorize adjustments for the following purposes.

**Appropriation of Grants and Other Revenues Received**

- The Police Department has received additional federal forfeiture funds from the United States Department of Treasury totaling \$47,830, additional state controlled substance tax receipts from the Office of the State Auditor totaling \$15,230, and donations of \$50. These funds would be used for training (\$3,610), K-9 Unit (\$3,040), and the purchase of supplies and equipment (\$56,460). Future equipment purchases could include items such as safety gear, surveillance equipment, computer software and hardware, and other IT needs.

**Committee Action:**

<b>Committee</b>	<u>Finance 6/13/22</u>	<b>Action</b>	<u>Approved</u>
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<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>
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**Remarks:**

- Winston-Salem/Forsyth County Utilities received notification regarding the State of North Carolina's intent to provide \$3.1 million in American Rescue Plan Act funds for the Highway 65 Water Line Extension Project. The project includes the installation of approximately 13,500 linear of 8-inch water line and associated appurtenances to extend the water line along Highway 65. Winston-Salem/Forsyth County Utilities will enter into an interlocal agreement with Forsyth County for the project. The proposed amendment appropriates \$3.1 million from the State of North Carolina to fund the project.
  
- The State's FY 2021-22 budget includes \$46 million in American Rescue Plan Act funding to provide financial support to the motorsports industry. The N.C. Department of Commerce administers the program, which includes \$5 million for sanctioned venues, such as Bowman Gray Stadium. The proposed amendment appropriates a \$530,020 grant that the City has been awarded, which will be used to address the following needs: HVAC upgrades for the ticket booths, permanent covers for the sponsor hospitality areas, dedicated fiber optics, sponsor signage supports, lighting in the stadium stock pit, guardrail renovation, east parking lot improvements, replacement of the flag stand, permanent storage on the concourse, and Forest Park lighting and security.

#### **Multi-Use Path Engineering Services**

- The proposed amendment moves \$300,000 of Motor Vehicle Privilege Tax revenue from the greenway projects holding account into the Multi-Use Path East Project (\$150,000) and the Multi-Use Path West Project (\$150,000) for engineering services related to bridge design for each of the projects.

#### **Marriott/Embassy Suites Skywalk Improvements**

- The proposed amendment appropriates \$30,000 from the Occupancy Tax Fund Balance for improvements inside the Skywalk between the Marriott and Embassy Suites hotels, including paint, carpet, and sealing the gaps in vertical construction joints where it connects to the hotels.

#### **Benton South Elevator Modernization Project**

- The proposed amendment appropriates \$82,600 from the Occupancy Tax Fund Balance for improvements to the Benton South elevator.

#### **COVID-19 Vaccine Incentive Payments**

- In October 2021, the Mayor and City Council approved a resolution authorizing incentive payments to employees that are vaccinated against COVID-19. The proposed amendment

appropriates an additional \$190,830 from the American Rescue Plan fund to cover a portion of these payments through the end of the fiscal year. The remaining \$758,420 for the incentive payments will be paid from the Health Benefits Fund.

### **End of Year Amendment for Bowman Gray Stadium**

- The proposed amendment transfers \$150,000 from the Winston-Salem Fairgrounds fund to Bowman Gray Stadium to support annual operating costs. Expenditures for temporary personnel are higher than budgeted partially due to the mid-year elimination of the flat rate pay plan, which increased the minimum wage of temporary employees to \$15 an hour. Projected revenues are not enough to cover the additional expenses.

### **Technical Adjustments to Program and Capital Budgets**

- The average price per gallon of fuel is trending much higher than budgeted for FY 2021-22. In addition, due to vacancies in the Fleet Services department, the cost for outside services has exceeded budget. The proposed amendment appropriates an additional \$600,000 in interfund charges to cover additional fuel expenses (\$400,000) and outside services (\$200,000) through the end of the fiscal year.
- The proposed amendment transfers \$1,100,000 in general fund appropriations from the Interdepartmental Services and Transportation Service Areas to the Environmental Health Service Area to cover operating expenses for the Sanitation Department. Sanitation personnel and operating expenses are projected to exceed budget, due to increased fuel costs, overtime, and salary adjustments.
- The Risk Acceptance Management Corporation (RAMCO) was created July 12, 1988, to assist the City of Winston-Salem with risk management and administration of general and auto liability claims. The 30-year operating memorandum between the City and RAMCO expired, and in accordance with the agreement, all assets were transferred to the City of Winston-Salem as of January 10, 2022. The proposed amendment appropriates \$1,500,000 to cover general and auto liability claims for FY 2021-22.
- The proposed amendment moves \$438,770 in remaining Information Systems project appropriations from the Leasing Capital Projects Fund to the Internal Services Capital Projects Fund to properly account for these projects moving forward.
- The Winston-Salem Department of Transportation is in the process of planning construction projects for both the east and west sides of the multi-use path along Salem Parkway. The proposed amendment consolidates previously appropriated funds into two projects – one for the Multi-Use Path (East) Project and another for the Multi-Use Path

(West) Projects - for project tracking and accounting purposes.

- In FY 2019-20, the Mayor and City Council appropriated CARES Act Section 5307 funds from the Federal Transit Administration for bus replacements. The proposed amendment moves the remaining balance of \$9,040 to be used by the Winston-Salem Transit Authority to contract with a vendor to conduct a facility study.