

City Council – Action Request Form

Date: February 14, 2023

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 2022-23 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 2022-23 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 Justice totaling \$7,810, and additional state-controlled substance tax receipts from the Office of the State Auditor totaling \$15,670. These funds would be used for training (\$7,810), and for the purchase of supplies and equipment (\$15,670). Future equipment purchases could include items such as safety gear, surveillance equipment, computer software and hardware, and other IT needs.

Committee Action:

Committee	<u>Finance 2/14/23</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

- The Police Department has received a 2023 Police Benefit Fund grant totaling \$13,472 from The Winston-Salem Foundation for morale-building activities such as meals for officers and police personnel working on Thanksgiving and Christmas days and the annual retiree luncheon. The proposed amendment appropriates these funds.
- On January 17, 2023, City Council approved an agreement with the North Carolina Department of Transportation to receive an additional reimbursement of \$1,227,122 for the construction of the replacement of the West First Street Bridge. The proposed amendment appropriates these funds.
- On March 28, 2022, City Council approved the sale of City-owned land at Union Cross Road and Axle Drive to Front Street Capital in the amount of \$8.0 million. A subsequent City Council action on April 18, 2022, allocated \$3.4 million in economic development funds to the Choice Neighborhoods Initiative, of which \$600,000 from the pending sale of the Union Cross property was appropriated on August 15, 2022 and moved to the Choice Neighborhoods Initiative to cover a shortfall of funds for Phase 1 of the project. The proposed amendment appropriates an additional \$2.8 million from the sale of the Union Cross property and moves that same amount to the Choice Neighborhoods Initiative for subsequent phases of the project.

Appropriation of Ballpark Fund Balance for Operating Expenses

- The proposed amendment appropriates \$30,000 in Ballpark fund balance for increased operating expenditures in the current year. The budget will also be adjusted to reflect the increased operating costs during the upcoming FY 2023-24 budget process.

Appropriation and Transfer of ARPA Funds Through Revenue Replacement

- On January 3, 2023, the Mayor and City Council approved a resolution authorizing the use of the revenue replacement method for ARPA funds and also providing the City Manager the authority to enter into contracts with certain community agencies using that funding. The proposed amendment provides for the transfer of funds from the ARPA fund to the general fund via the revenue replacement method allowed by U.S. Treasury and previously approved by City Council as noted above. The amendment also appropriates funding in the general for previously approved projects/programs in the ARPA fund. These budgets are being moved from a special revenue fund to the general fund as required by accounting standards.

Addition of Senior Financial Analyst Position

- The proposed amendment provides funding for the creation of a new position at the Senior Financial Analyst level in Accounting Services Division. The position is requested based on current and future workload needs for general accounting and creation of the annual comprehensive financial report. Current employees in the division worked significant overtime to meet required audit deadlines based on new reporting standards. Additional reporting standards (from the Government Accounting Standards Board) are slated for implementation in FY 2023 and beyond. This position would provide the capacity to meet the new standards. The proposed budget amendment appropriates funding in the risk management reserve fund to move a position to that fund. As a result of that, this amendment has no fiscal impact on the general fund.