



City of Winston-Salem City Council
Council Agenda Item Summary

Title	Ordinance Amending the Fiscal Year 2025-26 Budget Ordinances for the City of Winston-Salem, North Carolina
City Council Committee	Finance Committee
Meeting Date	June 9, 2026
Staff Lead (Presenter)	Scott Tesh, Budget and Performance Management Director
Department Head	Scott Tesh, Budget and Performance Management Director
City Manager/ACM	W. Patrick Pate, City Manager

Agenda Item Summary

Recommended Council Action	Ordinance Approval
Suggested Action/ Motion Options	Motion to approve the ordinance amending the FY 25-26 budget ordinances
Strategic Focus Area	Good Government
Strategic Plan Objective	GG1: Delivering Efficient and Effective Core Services
Anticipated Fiscal Impact	Fiscal Impact Anticipated: See Analysis in Summary

Summary of Information

The proposed amendment to the Fiscal Year 2025-26 budget ordinance authorizes adjustments for the following purposes.

Appropriation of Grants and Other Revenues Received

- The Neighborhood Services Department has been awarded an additional \$163,247 in Emergency Solutions Grant (ESG) funding from the North Carolina Department of Health and Human Services. This grant provides funding for the operation and utilization of the Homeless Management Information System (HMIS). The City will receive this grant to pay costs on behalf of all NC counties participating in the system.

Technical Budget Adjustment for the Benton Convention Center



Vision: To be a premier city in the region providing world-class amenities while retaining a sense of charm and hospitality
Mission: To provide impactful services that enhance the quality of life for current and future generations
Values: Teamwork * Responsibility * Respect * Integrity * Customer Service

- The City has a management agreement with Hospitality Ventures Management Group (HVMG) to manage the daily operations of the Benton Convention Center. The City is now required to record the gross revenues and expenses that HVMG incurs in operating the convention center. The Benton is projected to exceed budgeted revenues and expenses for the fiscal year. The proposed amendment appropriates an additional \$800,000 in operating revenues and expenses for the remainder of the fiscal year. This has no net impact on the City's budget.

Technical Budget Adjustment for the Foreclosed Property Fund

- The proposed amendment appropriates \$115,500 in revenue and expenses in the foreclosed property fund to meet the requirements of a GASB accounting change that requires lots/ land to be reported as fixed assets instead of inventory.

Technical Adjustment for Affordable Housing Revenues

- The proposed amendment provides an accounting correction regarding the revenue sources for Affordable Housing projects in the Housing Finance Assistance and Capital Projects funds. It does not modify the total budget for any of the affected projects.

General Fund Transfer for Ballpark

- The proposed budget amendment transfers \$150,000 from a general fund balance appropriation to the Ballpark fund to cover upcoming expenses for insurance and facility maintenance.

Technical Adjustments for Powell Bill and Motor Vehicle Privilege Tax Funding

- Pursuant to NCGS 136-41.3, Powell Bill funds allocated to municipalities under G.S. 136-41.1 and G.S. 136-41.2 are to be used primarily for street resurfacing within municipal corporate limits. This budget amendment reallocates \$1,694,300 originally budgeted for street maintenance in the General Fund to street resurfacing activities within the Capital Projects Fund with an offsetting change in the use of motor vehicle privilege tax funding (no net budget change).
- In addition, the amendment appropriates \$2,894,480 of fund balance for projects approved in prior years that are in various stages of design and construction. This is a technical adjustment that must be done annually because projects in the capital projects fund have multi-year budgets, and funding can only be transferred from the Powell Bill fund after project expenses are paid.

Appropriation of Parking Fund Balance

- On May 4, 2026, the City Council approved a resolution authorizing the early termination of the lease and conveyance of the Fourth and Church Parking Deck to R.J. Reynolds Tobacco Company. As part of the agreement, R.J. Reynolds will pay the City of Winston-Salem \$1,000,000 and assume all existing long-term parking agreements for current customers. Approximately \$328,300 of the proceeds will be remitted to Forsyth County, resulting in a net gain of approximately \$671,700 in fund balance. This amendment appropriates the \$328,300 payment to Forsyth County upon conveyance of the deck.

Appropriation of General Fund Balance and Transfers Between Service Areas

- The proposed amendment transfers \$1,425,000 between service areas within the general fund (to the public safety service area) and appropriates \$1,575,000 in general fund balance for public safety service areas expenditures, mainly attributable to increased personnel expenses in the Police Department for larger BLET class sizes, additional overtime related to special events and paid parental leave, pension spiking payments, and previously approved enhanced benefits (i.e., recruiting incentives, vacation payout policy, and accrued holiday payouts). Many of these expenses have been covered by salary savings in prior years, and the public safety service area no longer has adequate salary savings to cover these operating expenditures and expanded benefit costs based on current vacancy levels.

Appropriation of Occupancy Tax Fund Balance

- The proposed budget amendment appropriates \$125,000 in occupancy tax fund balance to cover the cost of bus service during the 2026 International Black Theatre Festival.

Appropriation of Funding Related to Close Out of Leasing Program and Capital Projects

- As part of the elimination of the City's equipment leasing program and debt management strategy, the proposed amendment transfers \$11 million from the debt service fund to the general fund (\$10 million) and capital projects fund (\$1 million). The transfers to the general fund will in turn be sent to the fleet services fund for payment of vehicles to be received in future years. Moving these funds does not affect the governmental funds balance sheet (financial position) and allows funding to be accounted for in the correct internal service fund where future vehicle acquisitions will take place. The \$1 million transfer to the capital projects fund is part of the continued cash financing strategy to eliminate future borrowing and thusly save money on future interest payments (expected interest savings of \$537,523).

Technical Adjustments for GASB 87 and GASB 96

- Financial reporting requirements now include recording the present value of net minimum payments resulting from lease agreements and subscription-based information technology agreements (SBITAs) as expenditures and other financing sources. Per direction from the Office of the State Treasurer, all city and counties are now required to budget funds for these accounting adjustments. The proposed amendment appropriates \$750,000 in the general fund as an estimate of the accounting transactions to be recorded from leases and SBITAs.

Attachments

- PBO/AATLO

Committee Action	
For:	Against:
Remarks:	