

City Council – Action Request Form

Date: June 10, 2019

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

From: Ben Rowe, Assistant City Manager
Patrice Toney, Budget and Evaluation Director

Council Action Requested:

Consideration of Amendments to the FY 2018-19 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 FY 2018-19 budget ordinances authorize adjustments for the following purposes.

Appropriation of Grants and Other Revenues Received

- An amendment in February 2019 appropriated \$173,872 in Emergency Solutions Grant funds from the State of North Carolina to provide operating support to emergency shelters and assistance for extremely low-income individuals and families who are homeless. The Community Development Department has now received an additional \$50,000, comprising \$10,000 each for Bethesda Center for the Homeless, Experiment in Self-Reliance, Family Services, Samaritan Ministries, and Goodwill Industries of Northwest North Carolina. The amendment appropriates these funds and awards them to the agencies and in the amounts designated by the State.

Committee Action:

Committee	Finance 6/10/19	Action	Approval
For	Unanimous	Against	

Remarks:

- The proposed amendment appropriates \$56,550 in contributions from businesses and individuals received during the fiscal year to support the Recreation and Parks Department's programs and centers.
- The proposed amendment appropriates \$8,970 in contributions and sponsorships for three Human Relations Department events. A contribution of \$3,870 was received for the Newcomers' Symposium. The Fair Housing Summit received \$2,680 more in sponsorships than originally budgeted, and the Student Awards Banquet received \$2,420 more in contributions and sponsorships than originally budgeted. All contributions have been received or will be received by Human Relations by June 30, 2019.
- The proposed amendment appropriates an additional \$518,610 in Federal Transit Administration (FTA) Section 5307 Grant funds. These funds are based on updated expected revenues from FTA and are allocated between operating assistance (\$218,610) and preventative maintenance (\$300,000) for the fixed route bus system.
- The proposed amendment appropriates \$810,030 for a Congestion Mitigation & Air Quality (CMAQ) grant. CMAQ is a federal program that funds transportation projects and programs in air quality nonattainment and maintenance areas to help achieve and maintain national standards for air quality pollutants. These funds, which require a match of 20% (\$202,510), will be used for the enhanced night, Saturday, and Sunday routes added as part of the FY 2017-18 budget. The matching funds are included in the fixed route operating budget.
- The proposed amendment appropriates \$1,644,980 in revenue received from the sale of easement and land to NCDOT for the construction of improvements to Business 40. Funds will be appropriated to the Business 40 capital project.
- The proposed amendment appropriates \$22,840 in contributions received for the Old Greensboro Rd Sidewalk. Funds will be appropriated to the capital project.
- In May 2019, the Mayor and City Council authorized the City Manager to enter into a number of agreements with the North Carolina Department of Transportation (NCDOT) for sidewalk construction and intersection improvement projects. The proposed amendment appropriates the federal funding received from Surface Transportation Block Grant-Direct Attributable (STBG-DA) funds for these projects in the amounts listed below:
 - Barbara Jane Avenue Sidewalk - \$228,800
 - Fairlawn Drive Sidewalk - \$869,440

- University Parkway Sidewalk - \$584,700
- Griffith Road Sidewalk - \$1,511,100
- Robinhood Road Sidewalk - \$485,660
- Silas Creek Parkway Sidewalk - \$2,568,000
- Coliseum & University Intersection Improvements - \$170,000

All federal funds require a 20% local match. Most of the local match for these projects was previously appropriated. However, the proposed amendment also includes an additional \$261,400 in 2014 bond funding for the remaining local match.

End of Year Amendments for Public Assembly Facilities

- The proposed amendment appropriates \$384,000 for the Winston-Salem Fairgrounds: \$184,000 in additional operating revenues for non-fair events and \$200,000 in reserves to cover additional expenses at Bowman Gray Stadium. To date, operating revenues for non-fair events have exceeded the budget by \$184,000 due to increased event activity. Carolina Thunderbirds Hockey consisted of 35 home games which brought in greater than anticipated revenues, specifically concessions and ticketing revenues. A handful of events also resulted in greater overall revenues including Tanya Tucker, Nitty Gritty Dirt Band, and Paranormal Cirque. The proposed amendment recognizes these revenues in order to provide a sufficient appropriation for the expenses associated with the events that generated this revenue.
- The proposed amendment appropriates \$200,000 for additional expenses at Bowman Gray Stadium as the operation of the facility transitioned back to the City full-time. The City began staffing fully stadium landscaping and maintenance while Winston-Salem State University maintained event management through racing and football seasons. A few other items that have led to increased expenses are related to field/turf management increased repairs for the 2018 Football Season and a heavy water leak in the playing surface that was in need of repair. These expenses are funded by a transfer from the Winston-Salem Fairgrounds fund
- The proposed amendment appropriates an additional \$125,000 in ballpark fund balance to cover a variable interest rate increase that was not anticipated during the development of the ballpark fund budget, and other miscellaneous expenses.

Technical Adjustments to Program and Capital Budgets

- In February 2019, the Mayor and City Council approved an appropriation of \$50,000 for a public art project at the corner of Fourth and Spruce Streets in Downtown Winston-Salem. This amendment included a \$25,000 contribution from the occupancy tax fund. The proposed amendment includes a technical adjustment in the revenue source for this project, transferring money from the public art fund, which is funded by occupancy tax dollars on an annual basis, rather than a separate contribution from the occupancy tax fund.

- In October 2015, the Mayor and City Council approved a resolution accepting a 2015 Community Oriented Policing Services (COPS) grant award from the United States Department of Justice to hire ten additional police officers. The grant included a local match of \$549,060 over the three year grant period. Due to recent staffing shortages in the police department, officers were never assigned to these grant positions and the grant was returned. However, the first year of the grant saw a local match of \$194,660 transferred to the grant.

In October 2017, the Mayor and City Council approved the 2016 Staffing for Adequate Fire and Emergency Response (SAFER) grant, providing funding to hire 15 (five per platoon) new firefighters for three years, with local match requirements over three years. The final year local match, to be budgeted in FY 2020-21, is estimated at \$281,000. The proposed amendment transfers \$194,660 from the returned COPS grant local match, reducing the final local match amount needed in FY 2020-21.

- In April 2019, the Mayor and City Council approved three projects totaling \$1,500,000 utilizing Union Station Reserves. These projects are East Ward resurfacing and roof replacements at City Hall and the Bryce A. Stuart Municipal Building. The Union Station project is under budget and will not use all the limited obligation bond proceeds. These bonds were issued specifically for Union Station, and the only other eligible use is payment of debt service. The proceeds will be used to pay debt service, and funds in the debt service fund that have been set aside for debt service will be provided as funding for the other new capital projects. The total funding for these projects is not reduced; only the source of funding has changed. The proposed amendment includes the appropriation of debt service fund revenues in these projects to complete the swap.