

City Council – Action Request Form

Date: June 19, 2017

To: The City Manager

From: Patrice Y. Toney, Budget and Evaluation Director

Council Action Requested:

Consideration of Fiscal Year 2017-18 Budget-Related Items.

Summary of Information:

On May 25, 2017, the City Manager distributed his budget proposal for fiscal year 2017-18 to the Mayor and City Council. The proposed budget totaled \$482.2 million, which included \$347 million for operations, \$37 million for debt service, and \$98 million for capital. The budget was balanced with a proposed tax rate of 59.74 cents, which was a 1.24 cent increase from the current rate of 58.5 cents (+2%). The proposed tax increase would enable the City to address fundamental needs in the areas of competitive employee compensation and public transportation. The proposed budget has aligned the City's resources according to the Mayor and City Council's strategic focus areas: Economic Vitality and Diversity, Safe and Secure Community, Livable Neighborhoods, Healthy Environment, Quality Transportation, and Service Excellence. In addition to the fundamental needs noted above, the proposed budget also provides for investments in each of these areas, which are noted in the FY 2017-18 budget document.

Other highlights of the proposed budget included:

- Proposed merit pay adjustment between 1.5% and 3.0%, depending on performance
- 2% public safety supplemental pay adjustment, effective January 1, 2018 (sworn police and certified fire personnel)
- Police retention adjustment (adjustments to minimum salaries and 2% increase for all sworn officers, except the Police Chief)
- 2% market pay adjustment for field employees (i.e. labor, trades, crafts, etc. positions)
- Increase in minimum hourly rate from \$11.00 to \$11.25

Committee

Action

For

Against

Remarks:

- Net increase of nine positions, including one (1) in Utilities, one (1) in Fire, and seven (7) in Recreation and Parks.
- Replacement of over 100 vehicles and equipment, including police pursuit vehicles, a Hazmat truck and other fire apparatus, sanitation trucks, and other public works equipment
- \$5.29 million in two-thirds bonds for major maintenance needs at recreation facilities and fire stations, bridge repairs, sidewalk maintenance, street resurfacing projects, and general government facility renewal projects.

The Finance Committee held three budget workshops and a public hearing on the City Manager's budget proposal in June. At its final workshop on June 13, 2017, the Committee approved the following changes to the proposed budget, as outlined below:

Recommended Finance Committee Changes to the Proposed FY 2017-18 Budget

Expenditure Adjustments	
General Fund	
<u>Expenditure Increases</u>	
Provide funding for the Drug Court.	\$35,000
- Funding would be a match to Forsyth County funding or other external funding source.	
Total General Fund Expenditure Adjustments	\$35,000
Other Funds	
<u>Winston-Salem Transit Authority Fund</u>	
<i>Trans-Aid</i>	
Provide bus passes to community agencies for distribution to low income Trans-AID passengers.	\$90,000
<i>Fixed Route</i>	
Restore funding to WSTA Route 100	\$216,000
- Ridership of Route 100 will be evaluated over the next 6 months.	
Total Winston-Salem Transit Authority Fund Expenditure Adjustments	\$306,000
Revenue Adjustments	
General Fund	
Appropriate general fund balance to provide funding toward the proposed Drug Court.	\$35,000
Total General Fund Revenue Adjustments	\$35,000
Other Funds	
<u>Winston-Salem Transit Authority Fund</u>	
<i>Trans-AID</i>	
Rescind the Medicaid exemption for passengers and increase the Trans-AID fare to \$1.00 per ride.	\$90,000
<i>Fixed Route</i>	
Increase property tax transfer for the additional subsidy to the fixed route system.	\$216,000
Total Winston-Salem Transit Authority Fund Revenue Adjustments	\$306,000

Attachment 1 provides the Finance Committee's recommended funding for community agencies supported from general fund, occupancy tax, and housing finance assistance fund revenues.

In total, the FY 2017-18 budget, as recommended by the Finance Committee, is increased to \$482.4 million, which represents an increase of \$306,000 compared to the City Manager's proposal.

On June 19, 2017, the Mayor and City Council will conduct a final public hearing (**item G-1**), as required by State law, and will consider the following budget-related items:

- **Item G-2:** Annual appropriation/tax levy ordinance for fiscal year 2017-18, authorizing the City's annual operating appropriations and adopting the property tax rate of 59.74¢ per \$100 of assessed valuation and a property tax rate of 9.0¢ per \$100 of assessed valuation on property in the Downtown Winston-Salem Business Improvement District, as recommended by the Finance Committee
- **Item G-3:** Project budget ordinance for fiscal year 2017-18, authorizing appropriations for certain special revenue funds, capital projects, enterprise capital projects, internal service capital projects, and capital equipment funds, as recommended by the Finance Committee
- **Item G-5:** Project budget ordinance for fiscal year 2017-18, authorizing appropriations for the Community Development Block Grant, HOME Investment Partnership, Continuum of Care, Emergency Solutions Grant, and housing finance assistance funds, as recommended by the Finance Committee
- **Item G-7:** Annual appropriation for fiscal year 2017-18, authorizing the City's annual operating appropriations for anticipated revenues and expenditures for Marketing and Communications to include advertising, books, magazines, and periodicals by fund, together with a financial plan for internal service funds, as recommended by the Finance Committee
- **Item G-8:** Project budget ordinance for fiscal year 2017-18, authorizing appropriations for expenditures on advertising, books, magazines, and periodicals, and revenues for fiscal year 2017-2018 and thereafter be approved for the Special Revenue funds, as recommended by the Finance Committee
- **Item G-9:** Resolution approving the capital plan for fiscal years 2017-18 through 2022-2023 as a financial planning guide
- **Item G-10:** Resolution amending the personnel resolution of the City of Winston-Salem, making changes to the pay plan and other policies
- **Item G-11:** Resolution authorizing an interlocal agreement between the City of Winston-Salem and Forsyth County for grant funds to support the District Attorney's Domestic Violence Unit
- **Item G-12:** Ordinance amending the Bulk Container Fees

ATTACHMENT 1
Finance Committee Recommended Funding
for Community Agencies

Arts and Culture	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
Arts Council – Operating	\$217,360	\$250,000	\$217,360	\$217,360
Arts Council – Capital	52,540	52,540	52,540	52,540
Center for Creative Economy	25,000	40,000	25,000	25,000
Delta Fine Arts ^	0	Not provided	0	0
National Black Theatre Festival	85,000	85,000	85,000	85,000
Old Salem	175,000	250,000	175,000	175,000
Piedmont Triad Film Commission	32,310	35,000	32,310	32,310
Reynolda House	0	75,000	75,000	75,000
RiverRun International Film Festival	40,000	50,000	40,000	40,000
Kaleideum - Operating	172,360	225,000	172,360	172,360
Kaleideum – Capital	50,000	50,000	50,000	50,000
Triad Cultural Arts	0	130,300	0	0
The Sergei Foundation	5,000	10,000	5,000	5,000
Subtotal – Arts and Culture	\$854,570	\$1,252,840	\$929,570	\$929,570

Veterans Services	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
HARRY Veterans Community Outreach Services	\$25,000	\$30,000	\$25,000	\$25,000
National Association for Black Veterans (NABVETS)	10,000	10,000	10,000	10,000
North Carolina Housing Foundation: Veterans Helping Veterans Heal ^	14,250	21,000	14,250	14,250
Subtotal – Veterans Services	\$49,250	\$61,000	\$49,250	\$49,250

ATTACHMENT 1 - Continued

Services for Youth	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
Advancing Children, Families and Communities	\$0	\$5,000	\$0	\$0
Honorable Youth	0	5,000	0	0
Housing Authority of Winston-Salem: LEAD ^	0	85,000	0	0
Liberty East Redevelopment	31,150	31,650	31,150	31,150
Winston-Salem Urban League	175,000	165,000	165,000	165,000
Work Family Resource Center	25,450	25,450	25,450	25,450
YMCA – Youth Incentive Program	66,000	66,000	66,000	66,000
Youth in Transition	18,350	0	0	0
Subtotal – Services for Youth	\$315,950	\$383,100	\$287,600	\$287,600

Homelessness Services	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
AIDS Care Service, Inc. ^	\$60,850	\$0	\$0	\$0
Bethesda Center:				
Case Management	160,000	160,000	160,000	160,000
Day Shelter (ESG)	19,840	20,000	19,840	19,840
Men’s Shelter (ESG)	24,180	25,000	24,520	24,520
Women’s Shelter (ESG)	32,690	35,000	32,690	32,690
Eliza’s Helping Hands	0	125,000	0	0
Experiment in Self-Reliance:				
Burton Street Shelter (ESG)	13,220	15,600	13,220	13,220
Transitional Housing Program ^	89,250	102,760	89,250	89,250
Various Programming	85,230	125,000	85,230	85,230
Family Services: Women’s Shelter (ESG)	30,770	30,770	30,770	30,770
North Carolina Housing Foundation:				
The Commons Workforce Development	13,350	15,000	13,350	13,350
The Salvation Army: Emergency Shelter (ESG)	44,900	48,010	44,730	44,730
Samaritan Ministries: Emergency Shelter (ESG)	44,900	48,010	44,730	44,730

ATTACHMENT 1 – Continued

Homelessness Services - Continued	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
United Way of Forsyth County:				
Continuum of Care Strategic Plan	\$22,250	\$0	\$0	\$0
Continuum of Care System Coordination ^	26,700	35,000	26,700	26,700
Coordinated Intake Center ^	\$30,400	\$34,120	\$30,400	\$30,400
Data Evaluation (ESG)	38,650	45,650	45,650	45,650
Goodwill (ESG)	39,480	120,000	32,480	32,480
Overflow Shelter (ESG)	11,500	11,500	11,500	11,500
Rapid Re-Housing Collaborative (ESG)	72,590	100,000	72,590	72,590
Subtotal – Homelessness Services	\$860,750	\$1,096,420	\$777,650	\$777,650

Conflict Resolution Services	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
Institute for Dismantling Racism	\$33,350	\$34,090	\$33,350	\$33,350
Mediation Services	7,500	8,500	7,500	7,500
Subtotal – Conflict Resolution	\$40,850	\$42,590	\$40,850	\$40,850

Housing Services	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
Consumer Credit Counseling Service ^	\$66,750	\$75,000	\$66,750	\$66,750
Habitat For Humanity Forsyth County (HOME)	142,000	281,200	142,000	142,000
Housing Authority of Winston-Salem: Tenant Based Rental Assistance	240,000	240,000	240,000	240,000
S.G. Atkins CDC ^	0	100,000	0	0
Ujima CDC ^	0	35,000	0	0
Subtotal – Housing Services	\$448,750	\$731,200	\$448,750	\$448,750

ATTACHMENT 1 – Continued

Successful Outcomes After Release (SOAR)	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
Boys2Men Mentorship Program	\$0	\$5,000	\$5,000	\$5,000
Eureka Ministry	20,000	25,000	20,000	20,000
Josh Howard Foundation	6,500	20,000	6,500	6,500
How is Your Heart Project	5,000	0	0	0
Hoops4L.Y.F.E.	5,000	5,000	5,000	5,000
My Brothers Second Chance	5,000	15,000	5,000	5,000
Piedmont Triad Regional Council:				
Project Re-Entry ^	31,150	35,000	31,150	31,150
Project Re-Entry	10,000	17,930	10,000	10,000
Self-Empowerment Last Forever (SELF)	10,000	20,000	10,000	10,000
Silver Lining Youth Services	5,000	0	0	0
Southside Rides Foundation	10,000	50,000	10,000	10,000
YWCA – Hawley House	13,500	52,480	13,500	13,500
Contingency Funds	10,000	0	0	10,000
Subtotal – SOAR	\$131,150	\$245,410	\$116,150	\$126,150

Other Services	FY 16-17 Budget	FY 17-18 Requested	FY 17-18 Proposed	FY 17-18 Recommended
Adult Treatment Drug Court	\$0	\$35,000	\$0	\$35,000
District Attorney Domestic Violence Unit	45,000	89,610	45,000	45,000
Experiment in Self-Reliance: Income Tax Preparation Assistance	35,600	45,600	35,600	35,600
Forsyth Futures	0	50,000	0	0
IFB Solutions ^	0	99,600	50,000	50,000
Neighbors for Better Neighborhoods ^	40,050	50,000	40,050	40,050
Share Food Coop/Freedom Tree ^	0	34,300	0	0
The Shepherd's Center of Greater Winston-Salem	15,000	25,000	15,000	15,000
United Health Centers	16,020	50,000	16,020	16,020
Subtotal – Other Services	\$151,670	\$479,110	\$201,670	\$236,670

^ Denoted CDBG-funded public service agencies