

DURHAM



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CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

DATE: February 16, 2015

TO: Thomas J. Bonfield, City Manager

THROUGH: Wanda S. Page, Deputy City Manager

FROM: Bertha T. Johnson, Director of Budget & Management Services  
Jim Reingruber, Principal Budget Analyst

RE: Request to amend the FY2014-15 Budget and other grant and capital project ordinance amendments.

### **EXECUTIVE SUMMARY**

In the course of the fiscal year, certain adjustments to the operating budget ordinance are necessary. This is the second such amendment for FY 2014-15. In addition to an operating budget amendment, this item includes several grant project ordinance amendments, and capital (CIP) ordinance amendments.

### **RECOMMENDATION**

The Administration recommends the City Council adopt a budget ordinance amending the City of Durham Budget Ordinance as amended, Fiscal Year 2014-15, the same being Ordinance # 14650;

The Administration recommends the City Council adopt the U.S. Department of Housing and Urban Development Lead Based Paint Reduction Grant Project Ordinance Superseding Ordinance #14185;

The Administration recommends the City Council adopt the FY 2012-13 Transit Planning and Capital Grant Project Ordinance (GPO) Superseding GPO # 14584;

The Administration recommends the City Council adopt the FY 2013-14 Transit Planning and Capital Grant Project Ordinance (GPO) Superseding GPO # 14686;

The Administration recommends the City Council adopt the FY 2014-15 Transit Planning and Capital Grant Project Ordinance (GPO) Superseding GPO # 14634;

The Administration recommends the City Council adopt an Ordinance amending the Water and Wastewater Capital Improvement Project Ordinance, FY 2014-15, as amended, the same being Ordinance #14624;

Finally, the Administration recommends the City Council adopt an Ordinance amending the General Capital Improvement Project Ordinance, FY 2014-15, as amended, the same being Ordinance #14623.

## **BACKGROUND**

Any time an ordinance requires change, the revisions require City Council approval. Budget and Management Services typically brings two to four budget amendments forward each year. An amendment was done in the November 2014 which included amendments to the operating budget, several grant project ordinances, and the internal service fund spending plan resolution. This item is similar to the first amendment. Budget and Management Services attempts to combine amendments and small grants in a single agenda item for efficiency.

## **ISSUES/ANALYSIS**

The following amendments are included:

As part of the FY 2013-14 budget process, new transit services were approved with the intent of using earmarked funding from the new motor vehicle and sales tax revenue sources. Now that these amounts are known, Triangle Transit will be sending the funds to the City. This amendment recognizes those funds. This adds \$632,606 to the Transit budget in the Transit Operating Fund. Proceeds from a previous year's equipment sale of \$96,627.91 in the Transit fund is also being appropriated so it can be properly used with Transit grants. A small amount that should have been included in the first amendment for Transit grant match was inadvertently omitted, but is included here at \$19,980.

Finance performed a routine debt refunding, and this amendment adjusts the budget accordingly. This increases the Debt Service Fund by \$52,000,000, the Water and Sewer Fund by \$6,750,000, the Solid Waste Fund by \$2,400,000, the Parking Fund by \$1,200,000, and the DPAC Fund by \$32,475,000.

The Open Data project agreements have been put in place with the City taking the lead. \$65,000 is being added to the expected revenue from the County, and the Technology Solutions budget to account for the County's portion of the project.

Transportation is sending through agenda items in the next Council cycle to approve agreements with the City of Raleigh and NCDOT to perform studies related to regional transportation. This part of the budget amendment appropriates funds in anticipation of these agreements being approved. One is for a Community Viz study for which the City of Raleigh is reimbursing Durham for \$42,768 of the roughly \$61,000 total. The other is for a Freight study for which the City of Raleigh and NCDOT are reimbursing Durham \$320,000 of the \$400,000 cost. The remaining costs are proposed to be paid with existing grants and funds already appropriated.

Should the agreements not be approved at the March 2, 2015 Council meeting, the funds will be placed in appropriations not authorized, and will not be spent.

The Department of Community Development is amending a Lead Based Paint Reduction GPO to adjust the total to match the actual amount received.

The Department of Transportation is amending several grant project ordinances (GPOs). These are to correct for actual or expected awards that differ from the original GPO's. These include Section 9 Transit Planning and Capital Grants for FY2012-13; FY2013-14; and FY 2014-15.

The CIP is being amended to appropriate the amount of \$1,120,000 from the water and sewer fund cash reserves to purchase land parcels near Lake Michie. A General CIP amendment is also attached for the purpose of cleaning up revenues source for the existing VOIP project and have a net zero impact to the general fund.

### **ALTERNATIVES**

If the City Council does not approve these amendments, the ordinances will be incorrect.

### **FINANCIAL IMPACT**

The approval of this budget amendment will have no net impact because all operating amendments have their own revenue sources.

The numerous Grant Project Ordinances do not materially affect current year activities. Most are simple corrections.

The CIP amendments have no impact to the general fund. Water and Wastewater ordinance changes have no impact as it will utilize water & sewer funds reserves sources.

### **SDBE INFORMATION**

Not applicable.

### **ATTACHMENTS:**

Budget ordinance amending the City of Durham Budget Ordinance as amended, Fiscal Year 2014-15, the same being Ordinance # 14650;

U.S. Department of Housing and Urban Development Lead Based Paint Reduction Grant Project Ordinance Superseding Ordinance #14185;

FY 2012-13 Transit Planning and Capital Grant Project Ordinance (GPO) Superseding GPO # 14584;

FY 2013-14 Transit Planning and Capital Grant Project Ordinance (GPO) Superseding GPO # 14686;

FY 2014-15 Transit Planning and Capital Grant Project Ordinance (GPO) Superseding GPO # 14634;

Ordinance amending the General Capital Improvement Project Ordinance, FY 2014-15, as amended, the same being Ordinance #14623;

Ordinance amending the Water and Wastewaste Capital Improvement Project Ordinance, FY 2014-15, as amended, the same being Ordinance #14624.