

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: Kenneth C. Pennoyer, Director of Business Management

SUBJECT: Annual Budget Ordinance Amendment to Reappropriate Funds for Prior Year Encumbrances and Other Obligations

DATE: September 14, 2009

PURPOSE

Enactment of the attached budget ordinance amendment would appropriate funds for encumbrances, previously approved grants, and capital improvement projects in various funds from the 2009-10 fiscal year.

BACKGROUND AND DISCUSSION

Encumbrances

After each fiscal year end, Council is requested to amend the current year budget ordinance to provide funding for encumbrances from the prior fiscal year. Encumbrances are obligations incurred by issuance of purchase orders for which payments were not made as of June 30, 2009, because materials or services had not been delivered. In accordance with generally accepted accounting principles, encumbrances were not included as expenditures for 2008-09 and must be reappropriated for payment during the 2009-10 budget.

Funds for these expenditures are shown in the 2008-09 Annual Financial Report on the balance sheets for each fund under the heading "Fund Balance-Reserved for Encumbrances."

Grant Fund Carryovers

The attached amendment would reappropriate \$525,526 for unspent grants in the Grant Fund as follows:

Grant	Total Grant	Balance to Reappropriate in 2009-10
NC E-Authority Pass-Through Grant	\$ 24,991	\$ 24,991
DOJ COPS Technology Grant	116,913	116,913
DOJ Project Safe Neighborhoods	27,491	22,436
Orange County ABC Contribution	43,825	18,855
Youth Initiative Partnership	10,160	9,143

BJA Bulletproof Vests	20,932	20,932
Camp Escapde	4,563	3,213
Orange County Arts Grant	3,000	3,000
SAFER Grant	830,496	285,559
Surface Transportation Direct Allocation Grant	522,000	20,000
Project Homeless	5,128	484
Total	<u>\$ 1,609,499</u>	<u>\$ 525,526</u>

CIP Project Carryovers

In addition to the reappropriations for encumbrances in various funds and grants, the following amendment would also reappropriate a net total of \$ 522,309 appropriated last year for various projects in the Capital Improvements Fund that were incomplete in 2008-09, and not encumbered, as shown below.

BUDGET ADJUSTMENTS TO CIP PROJECTS FUNDED IN 2008-09

Based on CIP Fund Reconciliation at June 30, 2009

Project	Total Recommended for Reappropriation
<u>Buildings / Facilities</u>	
Town Hall Improvements	\$ 32,638
Library Capital Maint.	14,500
Town Hall: Repl. of HVAC	26,200
Totals Buildings / Facilities	73,338
<u>Infrastructure</u>	
Sidewalks	26,094
Railroad Signals Local Match	18,000
Traffic Signal System Upgrade	576
Cemetery Beautification	108,329
Total Infrastructure	152,999
<u>Parks and Other Public Use Facilities</u>	
Small Parks Improvements	3,110

Greenways	49,727
Sport Art Gym	27,136
Community Center Renov.	8,132
Athletic Field Light Repl.	16,272
Miscellaneous Parks Projects	11,689
Total Parks and Other Public Use Facilities	116,066

Communications

Fiber Optic Network	50,000
Fire House Mobile & GIS	82,842
PW AVL & Mobile Data	47,064
Total Communications	179,906

Totals \$ 522,309

RECOMMENDATION

That the Council enact the attached budget ordinance amendment reappropriating unexpended obligations from the 2008-09 fiscal year and the attached multi-year capital projects ordinance.