

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: Kenneth C. Pennoyer, Director of Business Management

SUBJECT: Budget Ordinance Amendments to Correct and Adjust Various Fund Budgets

DATE: January 25, 2010

PURPOSE

The attached budget amendments reflect adjustments, correction of errors and budget adjustments for various funds as follows.

BACKGROUND AND DISCUSSION

Grants Fund

On November 23, 2009, the Council approved acceptance of a Bulletproof Vest Grant from the US Department of Justice. Although referenced in the executive summary, the budget amendment did not include the required matching funds of \$15,669 noted as being available in the Police Department budget. The attached amendment would budget for the matching funds.

On October 28, 2009, the Council approved acceptance of a Section 5303 Transit Planning grant from the Federal Transit Administration. The memo and ordinance indicated the funding source as the City of Durham, but rather is federal funding that is passed through Durham as the lead agency of our MPO. The budget ordinance included the grant in the Transit Capital Grant Fund, but it is an operating grant and should be included in the annual Grants Fund. Finally, the matching requirements were noted in the memo but were not included in the budget amendment. The attached correction budgets the grant in the correct fund, notes the correct funding source, and includes the matching requirements. Approval of the corrected amendment would rescind O-5 from October 28, 2009.

Also on October 28, 2009, the Council approved acceptance of a Section 104(f) Planning Grant, also Federal funds received as pass-through from the City of Durham. Similar to Section 5303 above, required corrections include funding source, fund and matching requirements. Approval of the attached corrected amendment would rescind O-6 from October 28, 2009.

On September 28, 2009, the Council approved acceptance of a federal pass-through grant from the NC Arts Council. The memo indicated the matching funds as being available in the bond fund, so the grant should be included in the Parks and Recreation Bond Fund rather than in the Grants Fund as indicated. Approval of the attached project amendment to establish the grant in the bond fund would also rescind O-1 from September 28, 2009.

DEBT FUND

Refunding bonds issued on December 22, 2009 yielded present value savings of \$458,011 over the remaining life of the bonds, with an immediate cash deposit of \$64,721.27 to the Debt Fund. Approval of the amendment attached would appropriate funding for bond sale expenses in the Debt Fund from these proceeds.

GENERAL FUND

Grant Matching Funds – The attached amendment would appropriate to transfer budget to the Grants Fund for grant matching requirements for Section 5303 Transit Planning, Section 104(f) Transit Planning and Bulletproof Vests grants. These funds are available in the Police and Planning Departments.

In addition, the amendment would correct the original budget transfers to/from other funds to achieve balance through all funds. The SAFER grant budgeted to receive \$63 more than the General Fund had budgeted to transfer, and the Stormwater Fund budgeted to receive \$500 less than the General Fund budgeted to transfer. This amendment would achieve a balance between Transfers From and To among the funds.

Police – The Police Department has entered into a collaborative agreement for training police dogs and handlers. The Town of Cary and the Orange County Sheriff's Department are taking part in the training, and have agreed to pay \$2,000 each toward the cost of the event. The attached amendment would recognize the \$4,000 in revenue and appropriate the funds for use by the Police Department for the Dog School.

Library Bond Fund

The Library Expansion and Renovation project is expected to provide approximately 64,000 square feet of additional Library space and provide some improvements in the existing Library to accommodate growing program demands. A contract has been awarded to Corley, Redfoot and Zack Inc. who has teamed with Robert A.M. Stern, Architects in New York to complete the design of the project. Also the Town has contracted with Clancy & Theys Construction Company who has worked with the design team and will pursue this project as a Construction Manager at Risk to complete the project. Additionally, the Town has contracted with Janet Echelman who will create a public artwork as part of this capital project.

The attached budget amendment will allow the continuation of the design work and the creation of the artwork as well as for the preparation of an amended contract with Clancy & Theys. This will allow them to complete the design and initiate the bidding phase and prepare a Guaranteed Maximum Price Proposal which would be presented to the Council for authorization to proceed with the project.

Parks and Recreation Bond Fund

The attached project ordinance amendment would amend the Parks and Recreation Bond Fund budget to include the NC Arts Council grant for a Greenways Prototype Public Art project, previously included in the Grants Fund.

Transit Capital Grants Fund

Approval of the attached budget amendment would rescind O-5 and O-6 approved on October 28, 2009 for two transit planning grants. This amendment will include these grants in the annual Grants Fund instead.

Cable Public Access Fund

The Cable Public Access Fund was established to account for cable public access fees that were collected from Time Warner Cable and transferred to The People's Channel. In 2007, the State issued new requirements for funding of public access and this fund is no longer in use. The attached amendment would transfer the residual balance of \$19,215 to the General Fund.

Public Housing Operating Fund

The budget for the Accountant who handles Public Housing finances has been included in the Public Housing Operating Fund while the position has been supervised by the Finance Division of Business Management. The General Fund has also budgeted to transfer funding to Public Housing to supplement their administrative overhead. To simplify the arrangement, the position has been moved entirely to the General Fund and budgeted in Business Management. Therefore the transfer from the General Fund to supplement the position is no longer needed. The amendment attached would reduce the transfer from the General Fund to Housing by \$29,598 for the current year cost of the position.

RECOMMENDATION

That the Council enact the attached budget amendments to make adjustments to the General Fund, Grants Fund, Transit Grants Fund, Debt Fund, Cable Public Access Fund, Public Housing Operating Fund, Library Bond Fund, and the Parks and Recreation Bond Fund.