



# TOWN OF CHAPEL HILL

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

## Legislation Text

File #: [18-0743], Version: 1

### **Enact Annual Budget Ordinance to Re-appropriate Funds for Prior Year Encumbrances and Other Obligations.**

**Staff:**

Amy Oland, Interim Director

**Department:**

Business Management

**Overview:** Enacting the attached budget ordinance amendment appropriates funds for prior year encumbrances, previously approved grants, and capital improvement projects in various funds for the 2018-19 fiscal year.



**Recommendation:**

That the Council enact the budget ordinance amendment to adjust for carryforward and carryover items from FY18 to FY19.

**Key Issues:**

Each year, as the new fiscal year budget gets underway, we ask the Council to re-appropriate funds for activities that cross over July 1<sup>st</sup>. These activities were anticipated and planned for in our budget preparation and are for routine activities and longer-term projects.

- **Encumbrances**

Encumbrances are obligations the Town committed to by issuing purchase orders for which payments were not made as of June 30, 2018, because materials or services had not yet been delivered. In accordance with generally accepted accounting principles, encumbrances were not included as expenditures for 2017-18 and must be re-appropriated for payment during the 2018-19 fiscal year. Across all funds, a total of \$3,828,781 was encumbered in prior year and is requested to carry forward.

- **Other**

In addition to outstanding purchase orders, there are items that were not completed in the prior year and need to be re-appropriated in 2018-19. The total of these items is \$5,608,924 across all funds, with the Elliott Road Storage Facility \$2,610,495, Wallace Deck design \$390,000, Rogers Road community center \$400,000, year one of the LUMO update \$101,680, the penny for housing initiative \$414,253, and the Fire Station #1 roof replacement \$154,700. Other carryforward items include workforce development training, Council approved planning initiatives, police federal and state drug seizure funds, street resurfacing, traffic studies, 140 West management contract, technology projects, and other ongoing initiatives that were not encumbered.

- **Grant Fund Carryovers**

The attached amendment would re-appropriate \$132,019 for unspent grants in the Grant Fund as follows:

<u>Grant</u>	<u>Grant Budget in 2017-18</u>	<u>Balance to Reappropriate in 2018-19</u>
Triad Foundation Grant	83,023	50,771
FY16 Bulletproof Vest Grant	15,740	6,974
Governors Crime Commissic	89	89
FY18 Bulletproof Vest Grant	22,687	22,687
Orange County ABC Grant	42,665	24,849
Youth Initiative Grant	3,566	619
FY17 Bulletproof Vest Grant	<u>26,030</u>	<u>26,030</u>
<b>Total</b>	<b><u>\$ 193,800</u></b>	<b><u>\$ 132,019</u></b>

**• Transit Grant Carryovers**

In addition to items encumbered, the Transit Fund has residual balances on grants that were awarded in FY18 that are not complete and will carry over to FY19. Grants with residual balances include the FY 2016 Job Access and Reverse Commute Program night service grant, FY 2018 Section 5310 Elderly Shuttle Service grant, the FY 2014 and FY 2015 Section 5307 grants for transit enhancements, and the FY 2018 Advanced Technology grant for wireless security cameras in the park and ride lots. Expenditures remaining on the grants total \$419,145, with federal funding available of \$145,462 and state funding available of \$148,137. The matching funds for the grants were established in the prior year’s budget and are re-appropriated from fund balance by the amendment attached.

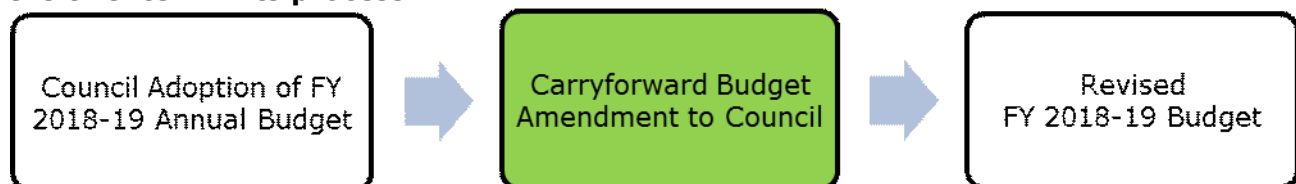
**• CIP Project Carryovers**

Other than the amounts included for encumbrances above, the balance remaining for capital projects that are underway require re-appropriation in FY19. The attached amendment would re-appropriate funding for the completion of Fire Station #1 roof replacement, parks and greenways, columbarium, technology projects, and to continue use of restricted funds for cemetery enhancements.







**Fiscal Impact/Resources:**

- The carryover budget amendment is intended to re-appropriate budget that was committed to in the prior year. Encumbered funds that were not able to be spent were held in the fund balance of the various funds, or in additional grant funds awarded by agencies. The amount being carried over is \$3,828,781 in encumbrances and \$5,608,924 for other items that were not completed in the prior year for a total of \$9,437,705.

**Where is this item in its process?**



**Council Goals:**

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input checked="" type="checkbox"/>		Develop Good Places, New Spaces
<input checked="" type="checkbox"/>		Support Community Prosperity	<input checked="" type="checkbox"/>		Nurture Our Community
<input checked="" type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration



**Attachments:**

- Budget Ordinance Amendment
- Summary listing of items carried over

**AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2018" FOR ENCUMBRANCES AND CARRYOVERS (2018-09-19/O-1)**

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Budget Ordinance entitled "An Ordinance Concerning Appropriations and the Raising of Revenue for the Fiscal Year Beginning July 1, 2018" as duly adopted on June 13, 2018 is hereby amended as follows:

**ARTICLE I**

<b>APPROPRIATIONS</b>	<b>Current Budget</b>	<b>Increase</b>	<b>Decrease</b>	<b>Revised Budget</b>
<b>GENERAL FUND</b>				
Mayor/Council	\$ 426,968	\$ 250	-	\$ 427,218
Town Manager/CaPA	2,632,332	37,638	-	2,669,970
Human Resource Dev't	1,768,953	212,399	-	1,981,352
Business Management	2,254,949	-	-	2,254,949
Technology Solutions	2,333,858	14,360	-	2,348,218
Attorney	351,379	-	-	351,379
Planning & Sustainability	2,115,477	317,039	-	2,432,516
Inspections	1,752,861	2,384	-	1,755,245
Housing & Community	833,548	-	-	833,548
Public Works	12,777,850	264,545	-	13,042,395
Police	13,453,216	18,086	-	13,471,302
Fire	9,393,617	18,724	-	9,412,341
Parks and Recreation	7,365,091	26,656	-	7,391,747
Library	3,402,158	25,260	-	3,427,418
Non-Departmental	5,494,743	440,406	-	5,935,149
<b>GENERAL FUND TOTAL</b>	<b>\$ 66,357,000</b>	<b>\$ 1,377,747</b>	<b>-</b>	<b>\$ 67,734,747</b>
<b>OTHER FUNDS</b>				
Grants Fund	\$ 384,640	\$ 132,019	-	\$ 516,659
Affordable Housing Development Reserve	68,395	830,452	-	1,518,847
Library Gift Fund	140,076	240,830	-	380,906
Capital Improvement Fund	322,260	499,192	-	821,452
Vehicle Replacement Fund	1,120,130	419,426	-	1,539,556
Vehicle Maintenance Fund	1,438,300	-	-	1,438,300
Computer Replacement Fund	150,875	-	-	150,875
On-Street Parking Fund	716,810	32,444	-	749,254
Off-Street Parking Fund	1,990,020	382,965	-	2,372,985
Public Housing Fund	2,204,372	4,530	-	2,208,902
Stormwater Management Fund	2,724,400	3,743,250	-	6,467,650
Transit Fund	23,768,295	1,774,850	-	25,543,145
<b>Total all funds</b>	<b>\$102,005,573</b>	<b>\$ 9,437,705</b>	<b>-</b>	<b>\$111,443,278</b>

**ARTICLE II**

<b>REVENUES</b>	<b>Current Budget</b>	<b>Increase</b>	<b>Decrease</b>	<b>Revised Budget</b>
<b>GENERAL FUND</b>				
Other Revenues	\$ 63,260,114	\$ -	\$ -	\$ 63,260,114
Fund Balance Appropriated	3,096,886	1,377,747	-	4,474,633
<b>GENERAL FUND TOTAL</b>	<b>\$ 66,357,000</b>	<b>\$ 1,377,747</b>	<b>\$ -</b>	<b>\$ 67,734,747</b>
<b>OTHER FUNDS</b>				
Grants Fund	\$ 384,640	\$ 132,019	\$ -	\$ 516,659
Affordable Housing Development Reserve	68,395	830,452	-	1,518,847
Library Gift Fund	140,076	240,830	-	380,906
Capital Improvement Fund	322,260	499,192	-	821,452
Vehicle Replacement Fund	1,120,130	419,426	-	1,539,556
Vehicle Maintenance Fund	1,438,300	-	-	1,438,300
Computer Replacement Fund	150,875	-	-	150,875
On-Street Parking Fund	716,810	32,444	-	749,254
Off-Street Parking Fund	1,990,020	382,965	-	2,372,985
Public Housing Fund	2,204,372	4,530	-	2,208,902
Stormwater Management Fund	2,724,400	3,743,250	-	6,467,650
Transit Fund	23,768,295	1,774,850	-	25,543,145
<b>Total all funds</b>	<b>\$102,005,573</b>	<b>\$ 9,437,705</b>	<b>\$ -</b>	<b>\$111,443,278</b>

This the 19<sup>th</sup> day of September, 2018.

**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

By enacting the attached budget ordinance amendment, the Council authorizes the re-appropriation of budget that was established in FY 2018 to FY 2019 for encumbrances and other items that were not completed in the prior year for a total of \$9,437,705.