

**FORSYTH COUNTY
BOARD OF COMMISSIONERS**

**BRIEFING
DRAFT**

MEETING DATE: June 21, 2018

AGENDA ITEM NUMBER: 10 A+B

SUBJECT: A. AMENDMENT TO THE 2017-2018 BUDGET ORDINANCE TO APPROPRIATE FUND BALANCE FOR THE PURCHASE OF A NEW AMBULANCE

B. AMENDMENT TO THE 2016 MOTIVE EQUIPMENT CAPITAL PROJECTS ORDINANCE TO ACCEPT TRANSFER FROM GENERAL FUND FOR PURCHASE OF A NEW AMBULANCE

COUNTY MANAGER'S RECOMMENDATION OR COMMENTS:-

SUMMARY OF INFORMATION:-

The County appropriates funding on an annual basis to a Motive Equipment Capital Projects Ordinance for the purpose of purchasing vehicles for non-Emergency and Emergency departments. The purpose of the capital projects ordinance is to allow user departments to more responsibly and efficiently purchase vehicles without the concern that all of the funds have to be spent within the fiscal year.

The FY2018-2019 Recommended Budget includes \$1,300,000 for vehicles and equipment for vehicles and \$550,000 of this will be allocated to Emergency Services which will allow the department to remount four ambulances. The department is in need of a new ambulance at a cost of \$275,000 as well and the funds are not available within the Motive Equipment CPO to fund this expenditure.

The results of the FY2016-2017 year-end audit created \$7,187,721 in available funds. Typically, at the end of each fiscal year, available funds are reserved for Pay-Go projects and are used for four primary reasons: debt avoidance, projects with positive return on investment, economic development, and capital projects. These funds have not been reserved for Pay-Go in a Capital Project Ordinance and remain in fund balance. On January 17, 2018, the Board of Commissioners approved the use of \$1,400,000 of these funds to assist with costs associated with the development of the Tanglewood Business Park, leaving \$5,787,721 available for appropriation for Pay-Go projects.

The purchase of a new ambulance does not technically qualify as a Pay-Go project as it is not an economic development project, the County would not issue debt to purchase an ambulance, it does not have a positive return on investment, and while it is a capital item, it is not a capital project. Therefore, the appropriation of these funds will come from fund balance and the amount available for appropriation for Pay-Go projects is reduced to \$5,512,721.

ATTACHMENTS:

Yes

No

SIGNATURE: _____

COUNTY MANAGER

DATE: _____

**FORSYTH COUNTY, NORTH CAROLINA
AMENDMENT TO
FY 2017-2018 BUDGET ORDINANCE**

FROM: BUDGET & MANAGEMENT

MEETING DATE: _____

EXPLANATION:

The County appropriates funding on an annual basis to a Motive Equipment Capital Projects Ordinance for the purpose of purchasing vehicles for non-Emergency and Emergency departments. The purpose of the capital projects ordinance is to allow user departments to more responsibly and efficiently purchase vehicles without the concern that all of the funds have to be spent within the fiscal year.

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**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF FORSYTH COUNTY THAT THE
FY 2017-2018 BUDGET ORDINANCE IS HEREBY AMENDED AS FOLLOWS:**

| | | |
|-----------|---|------------------|
| INCREASE: | <u>SECTION 1. REVENUES</u> GENERAL FUND FUND BALANCE | <u>\$275,000</u> |
| INCREASE: | <u>SECTION 2. EXPENDITURES</u> GENERAL FUND NON-DEPARTMENTAL Transfer to 2016 Motive Equipment CPO | <u>\$275,000</u> |

NATURE OF TRANSACTION:

- Additional Revenue Available
- Transfer within Accounts of Same fund
- Other: Appropriate Fund Balance

APPROVED BY BOARD OF COUNTY COMMISSIONERS AND ENTERED ON MINUTES DATED _____
AGENDA ITEM NUMBER _____

**FORSYTH COUNTY, NORTH CAROLINA
AMENDMENT TO
2016 MOTIVE EQUIPMENT REPLACEMENT CAPITAL PROJECTS ORDINANCE**

FROM: BUDGET & MANAGEMENT

MEETING DATE: _____

EXPLANATION:

The County appropriates funding on an annual basis to a Motive Equipment Capital Projects Ordinance for the purpose of purchasing vehicles for non-Emergency and Emergency departments. The purpose of the capital projects ordinance is to allow user departments to more responsibly and efficiently purchase vehicles without the concern that all of the funds have to be spent within the fiscal year.

The FY2018-2019 Recommended Budget includes \$1,300,000 for vehicles and equipment for vehicles and \$550,000 of this will be allocated to Emergency Services which will allow the department to remount four ambulances. The department is in need of a new ambulance at a cost of \$275,000 as well and the funds are not available within the Motive Equipment CPO to fund this expenditure.

The results of the FY2016-2017 year-end audit created \$7,187,721 in available funds. Typically, at the end of each fiscal year, available funds are reserved for Pay-Go projects and are used for four primary reasons: debt avoidance, projects with positive return on investment, economic development, and capital projects. These funds have not been reserved for Pay-Go in a Capital Project Ordinance and remain in fund balance. On January 17, 2018, the Board of Commissioners approved the use of \$1,400,000 of these funds to assist with costs associated with the development of the Tanglewood Business Park, leaving \$5,787,721 available for appropriation for Pay-Go projects.

The purchase of a new ambulance does not technically qualify as a Pay-Go project as it is not an economic development project, the County would not issue debt to purchase an ambulance, it does not have a positive return on investment, and while it is a capital item, it is not a capital project. Therefore, the appropriation of these funds will come from fund balance and the amount available for appropriation for Pay-Go projects is reduced to \$5,512,721.

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF FORSYTH COUNTY THAT THE 2016 MOTIVE EQUIPMENT REPLACEMENT CAPITAL PROJECTS ORDINANCE IS HEREBY AMENDED AS FOLLOWS:

| | | |
|-----------|--|------------------|
| INCREASE: | <u>REVENUES</u> Transfer from General Fund | <u>\$275,000</u> |
| INCREASE: | <u>EXPENDITURES</u> Emergency Vehicles – Emergency Services | <u>\$275,000</u> |

NATURE OF TRANSACTION:

- Additional Revenue Available
- Transfer within Accounts of Same fund
- Other: Transfer from General Fund

APPROVED BY BOARD OF COUNTY COMMISSIONERS AND ENTERED ON MINUTES DATED _____
AGENDA ITEM NUMBER _____