

**FY17 Budget Process
City Council Budget Questions
Group 1**

1. Please provide estimated amounts of the net transfer from PWC to the General Fund using both the percent of sales and the percent of net assets methods.

• Calculation based on sales (FY16 method, as budgeted by City)	
FY15 residential, commercial and industrial metered electric retail sales	\$184,577,223
Transfer calculated at 5.2%	9,598,016
Rounded for budget presentation	\$ 9,598,100
• Calculation based on net assets (FY15 and prior method, as budgeted by PWC)	
FY15 Electric Fund net assets	\$ 406,806,731
Transfer calculated at 3.1%	12,611,009
Rounded for budget presentation	\$ 12,611,000
Less:	
Transfer for Phase V Annexation Projects	(2,666,100)
Transfer for Annexation Debt Service	(385,200)
Transfer for Assessment Interest Rate Cap Differential	(110,000)
Net Transfer for FY17	\$ 9,449,700
• Variance between methods	\$ 148,400

2. What is the average cost per mile and per foot for street paving?

The average cost for resurfacing is approximately \$225,000 per mile, or \$42.61 per linear foot.

3. Has Cumberland County provided any funding or made any funding commitments for the NC Civil War History Center?

Cumberland County finance staff has confirmed that the County has not provided any funding or commitments for funding for the NC Civil War History Center at this time.

4. What minimum fund balance percentage does the State require to be maintained for the Stormwater Fund? Can City Council dip into it, and if so when would that money need to be replenished?

The state doesn't have requirements for the fund balance in enterprise funds, such as the City's Stormwater Fund. The primary financial requirements for the City's Stormwater Operating Fund are in the revenue bond documents, which focus more on debt coverage (the amount of annual revenue needed to cover annual operating expenditures and debt service). As discussed at the 5/18/16 budget work session, there is projected to be \$2.2 million in available fund balance for the Stormwater Operating Fund at the end of fiscal year 2016. Though not a requirement to maintain a certain percentage of stormwater fund balance, it is important to maintain sufficient cash on hand/fund balance to address unexpected operating and maintenance expenditures. One option would be to maintain operating fund balance equal to 6 months of annually budgeted operating expenditures, which would be \$1.8 million.

On a related note, for the combined Stormwater Operating and Capital Funds there was \$11.7 million cash plus \$2.4 million in restricted cash from revenue bond proceeds on hand as of June 30, 2015 (see page L-29 of the 2015 Comprehensive Annual Financial Report). The majority of that funding was committed for identified Stormwater capital projects (see page L-32 of Comprehensive Annual Financial Report).

5. Please provide a copy of the FY15 Powell Bill report.

Attachment A provides a copy of the final Powell Bill report as of June 30, 2015.

Attachment B provides a summary list of permissible uses of Powell Bill funding.

The last line on page 1 of the report indicates that the City had a balance of \$1,930,862.79 of restricted Powell Bill funds on hand at the end of fiscal year 2015. That funding was largely committed on open encumbrances for Phase II of the FY2015 street resurfacing (Contract 17021, \$1,608,425.10). In addition, \$176,229.85 remained committed from FY2014 street resurfacing funds pending receipt of invoices for resurfacing following annexation projects in areas 14 and 15 (Purchase Orders 124014 and 123539).

6. Please provide details of payments made to date to the Center for Economic and Business Development (C.E.E.D.) for the business incubator/farmers market project.

There has been one payment issued to date to C.E.E.D. on April 2, 2015 for \$100,000. This payment provided reimbursement for a share of design costs for the Food Hub Project which were reported to total \$128,288. There have been no reimbursements paid to C.E.E.D. from the \$100,000 appropriated in the current fiscal year.

Responses for the following questions are pending:

- 7. Please provide details of payments made to date to Fayetteville State University for the farmers' market project. What are the funding needs/requests for the balance of FY16 and for FY17?**
- 8. Please provide budget information for the FCEDC for the upcoming fiscal year.**
- 9. City Engineer Giselle Rodriguez advised that there are 4 projects 90% ready to bid. How long before construction can start on those and how much do they total?**
- 10. Will the City now have additional funding responsibility for pavement overlay costs for the Phase V annexation projects? If yes, are cost estimates available and has funding been included in the FY2017 budget for these expenses?**

FINAL

**STATUTORILY DUE TO DOT ON OR BEFORE AUGUST 1
POWELL BILL EXPENDITURES REPORT FOR FISCAL YEAR ENDING JUNE 30, 2015**

Municipality: CITY OF FAYETTEVILLE

Pursuant to NC General Statutes 136-41.1 through 136-41.4

REPORT BASIS (Select One)		
<input type="radio"/> Cash Basis (Records revenue when cash is received and records expense when cash is paid)		
<input checked="" type="radio"/> Accrual Basis (Records revenue when earned and records expense when incurred or when work is performed)		
REVENUES FOR POWELL BILL STREETS:		Amount
Beginning Balance on Hand July 1, 2014		\$162,573.64
R100 - Interest Earned on Powell Bill Funds:		\$5,442.22
R101 - Assessments / Reimbursements / Other (Returned to Powell Bill Only) Attach backup documentation		\$42,846.76
R102 - Sale or Transfer of Equipment		
R103 - Sales Tax Refund		
R104 - Bookkeeping Correction [+ or (-)] Brief Explanation:		
Total Powell Bill Allocation received from NCDOT on October 1, 2014 and January 1, 2015		\$5,534,879.26
Penalty:		Amount
0300 - Deducted from 2014 Allocation Greater Than the Sum of Past 10 or 20 Allocations		
0400 - Deducted from 2014 Allocation To State for Past Due Amount		
0500 - Deducted from 2014 Allocation for Miscellaneous Errors		
Subtotal Penalty		
TOTAL REVENUES FOR POWELL BILL STREETS - (2014 - 2015)		\$5,745,741.88
EXPENDITURES FOR POWELL BILL STREETS:		Amount
E101 - Right of Way		\$6,761.00
E102 - Engineering		\$20,956.25
E103 - Paving & Resurfacing (List the Powell Bill streets that were paved or resurfaced.)		\$2,110,715.24
E104 - Maintenance		\$152,555.14
E105 - Snow & Ice Removal		
E106 - Drainage & Storm Sewer		
E107 - Curb & Gutter		\$5,834.70
E108 - Bridge Construction and Repair		
E109 - Traffic Control		\$57,527.25
E110 - New Equipment		
E111 - New Construction		
E112 - Bikeways		
E113 - Debt Service Payment		\$1,396,861.73
E114 - Sidewalks		\$63,667.78
E115 - TIP (Transportation Improvement Project)		
E116 - Greenways		
TOTAL EXPENDITURES FOR POWELL BILL STREETS FY (2014 - 2015)		\$3,814,879.09
SUMMARY		Amount
Revenue Total		\$5,745,741.88
Less Expenditure Total		\$3,814,879.09
BALANCE ON HAND AS OF JUNE 30, 2015 (RESERVED FOR POWELL BILL)		\$1,930,862.79

MUNICIPALITY OF: CITY OF FAYETTEVILLE, NORTH CAROLINA

Lisa T. Smith, being first duly sworn, deposes and says: That he/she is duly appointed Director of Finance for the Municipality of CITY OF FAYETTEVILLE North Carolina. That the above statement from said Municipality was prepared under his/her immediate supervision and direction. That the same is a true and correct statement of the receipts and expenditures of the funds received from the North Carolina Department of Transportation pursuant to North Carolina General Statutes 136-41.1 through 136-41.4.

Lisa T. Smith Date: 9/16/2016
DIRECTOR OF FINANCE

*** IF NOT PROPERLY SIGNED, NOTARIZED, AND SEALED, IT WILL BE RETURNED ***



North Carolina Cumberland County
I, Jane G. Starling, a Notary Public
for Cumberland County, North Carolina,
do hereby certify that Lisa T. Smith
personally appeared before me this day and acknowledged
due execution of the foregoing instrument.

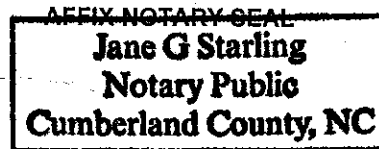
Witness my hand and official seal, this:

16th day of September 2015

NOTARY PUBLIC: Jane G. Starling

My Commission Expires: April 22, 2017

PREPARED BY: Christine Collum
TITLE: Financial Reporting Mgr
PHONE: 910-433-1452



PLEASE MAKE SURE YOUR REPORT IS CORRECT. IT MUST BE SIGNED, NOTARIZED, ALL SEALS AFFIXED, AND RETURNED TO THIS OFFICE BEFORE THE STATUTORY DEADLINE DATE OF AUGUST 1.

*** IF NOT PROPERLY SIGNED, NOTARIZED, AND SEALED, IT WILL BE RETURNED ***

<p>G.S. 136-41.3 STATES: <input checked="" type="checkbox"/> "...IT SHALL BE UNLAWFUL FOR ANY MUNICIPAL EMPLOYEE OR MEMBER OF ANY GOVERNING BODY TO AUTHORIZE, DIRECT, OR PERMIT THE EXPENDITURE OF ANY FUNDS ACCRUING TO ANY MUNICIPALITY BY VIRTURE OF G.S. 136-41.1 AND 136-41.2 FOR ANY PURPOSE NOT HEREIN AUTHORIZED. ANY MEMBER OF ANY GOVERNING BODY OR MUNICIPAL EMPLOYEE SHALL BE PERSONALLY LIABLE FOR ANY UNAUTHORIZED EXPENDITURES."</p>	
Name: <u>Lisa T. Smith</u>	Date: (mm/dd/yyyy)* <u>09/16/2015</u>

**FY2015
Powell Bill Report**

Tab	Doc. Type	Doc. #	Acct #	Contract/ PO #	Explanation	G/L Date	Gross Amount due Vendor	Sales Tax	Retainage	Net of Sales Tax and Retainage	Check No.	Check Date	Mthly Total	
Line 1 - Right of Way														
	PV	736333	87905.8581		Bobbitt, Arnell	1/20/2015	1,771.00			1,771.00	12347543	1/29/2015	1,771.00	Jan
	PV	748225	87905.8581		Maldonado, Raquel (ROW)	5/7/2015	4,990.00			4,990.00	12350928	5/14/2015	4,990.00	May
							6,761.00	-		6,761.00			6,761.00	
Line 2 - Engineering														
Langdon Street Widening														
	PV	748432	87905.8490	126235	Davenport	04/30/15	17,000.00			17,000.00	12351088	05/21/15	17,000.00	May
	PV	754899	87905.8490	126235	Davenport	06/17/15	3,956.25			3,956.25	12353076	07/16/15	3,956.25	Jun accr
							20,956.25	-	-	20,956.25				
Line 3 - Paving & Resurfacing														
FY2014 Street Resurfacing - Phase II - SL 878081														
	OV	736616	87808.8582	16740	Barnhill Contracting Company	12/01/14	237,814.96	6,069.31		231,745.65				
					Less: Change order City drainage		(2,925.00)			(2,925.00)	12347539	01/29/15		
	RI	56790	87808.8582	31300004594	PWC	01/20/15	(8,370.23)			(8,370.23)				
	RI	56790	87808.8582	31300000720	PWC	01/20/15	(88,351.48)			(88,351.48)				
					Subtotal		138,168.25	6,069.31	-	132,098.94			132,098.94	Jan
FY 2015 Street Resurfacing Phase II - SL 878092														
	OV	754567	87809.8582	17021	Barnhill Contracting Company	06/30/15	109,110.00		2,727.25	106,382.75	12352801	07/09/15	106,382.75	Jun accr
							109,110.00	-	2,727.25	106,382.75				
FY 2015 Street Resurfacing														
	OV	722234	87809.8582	16862	Highland Paving Company	08/31/14	139,722.11	950.85	3,493.05	135,278.21	12342797	09/18/14	135,278.21	Sep
	OV	725765	87809.8582	16862	Highland Paving Company	09/30/14	449,635.45	9,535.99	11,240.89	428,858.57	12343934	10/16/14	428,858.57	Oct
	OV	729579	87809.8582	16862	Highland Paving Company	10/31/14	599,360.90	15,802.89	14,984.02	568,573.99	12345398	11/20/14	568,573.99	Nov
	OV	731847	87809.8582	16862	Highland Paving Company	11/30/14	369,804.84	11,356.51	9,245.12	349,203.21	12346119	12/11/14		
	OV	734168	87809.8582	16862	Highland Paving Company	07/28/14	362,742.91	11,751.04		350,991.87	12346775	12/31/14	700,195.08	Dec
	OV	722234	87809.8582	16862	Highland Paving Company	08/31/14			(3,493.05)	3,493.05	12348427	02/26/15		
	OV	725765	87809.8582	16862	Highland Paving Company	09/30/14			(11,240.89)	11,240.89	12348427	02/26/15		
	OV	729579	87809.8582	16862	Highland Paving Company	10/31/14			(14,984.02)	14,984.02	12348427	02/26/15		
	PD	739819	87809.8582	liquidated dmgs	Highland Paving Company	11/22/14	(98.89)			(98.89)	12348427	02/26/15		
	OV	739354	87809.8582	16862	Highland Paving Company	11/22/14		1,678.95		(1,678.95)	12348427	02/26/15		
	OV	739354	87809.8582	16862	Highland Paving Company	11/22/14		584.79		(584.79)	12348427	02/26/15		
	OV	731847	87809.8582	16862	Highland Paving Company	11/30/14			(9,245.12)	9,245.12	12348427	02/26/15	36,600.45	Feb
					Subtotal		1,921,167.32	51,661.02	-	1,869,506.30				
							2,168,445.57	57,730.33	2,727.25	2,107,987.99			2,107,987.99	
					Total		2,168,445.57							
					Less: Sales Tax		(57,730.33)							
					Less: Expenditures in excess of Powell Bill funds		-							
					Amount Reported on Line 3		2,110,715.24							

**FY2015
Powell Bill Report**

Tab	Doc. Type	Doc. #	Acct #	Contract/ PO #	Explanation	G/L Date	Gross Amount due Vendor	Sales Tax	Retainage	Net of Sales Tax and Retainage	Check No.	Check Date	Mthly Total	
Line 4 - Maintenance														
	PV	718011	47160.8490	125020	Horner Paving Co.	07/14/14	290.00	8.05	-	281.95	12341824	08/21/14	281.95	Aug
	PV	719898	47160.8490	125020	Horner Paving Co.	08/26/14	1,337.51	45.85		1,291.66	12342501	09/09/14		
	PV	719897	47160.8490	125020	Horner Paving Co.	08/26/14	362.61	15.82		346.79	12342501	09/09/14		
	PV	719895	47160.8490	125020	Horner Paving Co.	08/27/14	213.76	7.91		205.85	12342501	09/09/14		
	PV	720479	47160.8490	125020	Horner Paving Co.	09/03/14	1,577.95	93.38		1,484.57	12342501	09/09/14		
	PV	721333	47160.8490	125020	Horner Paving Co.	09/08/14	259.55	15.82		243.73	12342802	09/18/14		
	PV	722364	47160.8490	125020	Horner Paving Co.	09/08/14	1,550.12	47.04		1,503.08	12343106	09/25/14	5,075.68	Sep
	PV	726322	47160.8490	125021	Horner Paving Co.	09/24/14	3,380.00	115.50		3,264.50	12344228	10/23/14	3,264.50	Oct
	PV	731676	47160.8490	125021	Horner Paving Co.	12/04/14	7,809.65	316.07		7,493.58	12346121	12/11/14		
	PV	731710	47160.8490	125021	Horner Paving Co.	12/05/14	4,155.39	68.25		4,087.14	12346121	12/11/14		
	PV	731709	47160.8490	125021	Horner Paving Co.	12/05/14	1,634.10	26.25		1,607.85	12346121	12/11/14		
	PV	734004	47160.8490	125021	Horner Paving Co.	11/05/14	2,552.38	42.28		2,510.10	12346779	12/31/14		
	PV	733892	47160.8490	125783	Horner Paving Co.	12/17/14	1,998.09	32.97		1,965.12	12346779	12/31/14		
	PV	733890	47160.8490	125783	Horner Paving Co.	12/17/14	2,473.80	43.96		2,429.84	12346779	12/31/14		
	PV	733889	47160.8490	125783	Horner Paving Co.	12/17/14	15,992.16	246.75		15,745.41	12346779	12/31/14		
	PV	733866	47160.8490	125021	Horner Paving Co.	12/17/14	621.74	10.57		611.17	12346779	12/31/14	36,450.21	Dec
	PV	734786	47160.8490	125866	Horner Paving Co.	12/31/14	6,284.07	100.42		6,183.65	12347180	01/15/15		
	PV	734785	47160.8490	125866	Horner Paving Co.	12/31/14	11,940.34	225.75		11,714.59	12347180	01/15/15		
	PV	734783	47160.8490	125866	Horner Paving Co.	12/31/14	14,250.70	236.25		14,014.45	12347180	01/15/15	31,912.69	Jan
	PV	741290	47160.8490	125020	Horner Paving Co.	02/04/15	1,292.76	35.56		1,257.20	12349025	03/19/15		
	PV	741065	47160.8490	125020	Horner Paving Co.	03/05/15	343.48	4.45		339.03	12349025	03/19/15		
	PV	741064	47160.8490	125020	Horner Paving Co.	03/05/15	329.84	4.45		325.39	12349025	03/19/15		
	PV	741063	47160.8490	125020	Horner Paving Co.	03/05/15	310.00	13.65		296.35	12349025	03/19/15		
	PV	741061	47160.8490	125020	Horner Paving Co.	03/05/15	237.00	8.89		228.11	12349025	03/19/15		
	PV	741060	47160.8490	125020	Horner Paving Co.	03/05/15	161.24	14.14		147.10	12349025	03/19/15		
	PV	741059	47160.8490	125020	Horner Paving Co.	03/05/15	465.97	22.24		443.73	12349025	03/19/15		
	PV	741057	47160.8490	125020	Horner Paving Co.	03/05/15	2,620.00	53.34		2,566.66	12349025	03/19/15		
	PV	741066	47160.8490	125020	Horner Paving Co.	03/05/15	2,148.92	26.67		2,122.25	12349025	03/19/15	7,725.82	Mar
	PV	746183	47160.8490	125866	Horner Paving Co.	03/10/15	5,615.88	84.00		5,531.88	12350156	04/23/15		
	PV	744759	47160.8490	126110	Horner Paving Co.	03/10/15	8,530.90	136.50		8,394.40	12350156	04/23/15		
	PV	744757	47160.8490	126110	Horner Paving Co.	03/10/15	9,921.94	157.50		9,764.44	12350156	04/23/15		
	PV	744749	47160.8490	125866	Horner Paving Co.	03/10/15	746.08	11.81		734.27	12350156	04/23/15		
	PV	744748	47160.8490	125866	Horner Paving Co.	03/10/15	710.60	7.87		702.73	12350156	04/23/15		
	PV	744746	47160.8490	125866	Horner Paving Co.	03/10/15	970.36	15.14		955.22	12350156	04/23/15	26,082.94	Apr
	PV	752551	47160.8490	126402	Applied polymerics	05/29/15	35,899.00			35,899.00	12352063	06/18/15	35,899.00	Jun
	PV	744751	61140.8490	125949	Horner Paving Co.	03/10/15	3,388.40	53.23		3,335.17	12350156	04/23/15		
	PV	744753	61140.8490	125949	Horner Paving Co.	03/10/15	468.50	7.87		460.63	12350156	04/23/15		
	PV	744755	61140.8490	125949	Horner Paving Co.	03/10/15	1,414.36	22.57		1,391.79	12350156	04/23/15		
	PV	744756	61140.8490	125949	Horner Paving Co.	03/10/15	685.26	10.50		674.76	12350156	04/23/15	5,862.35	
							154,944.41	2,389.27	-	152,555.14			152,555.14	
					Total Maintenance		154,944.41							
					Less: Sales Tax		(2,389.27)							
					Amount Reported on Line 4		152,555.14							
Line 7 - Curb & Gutter														
	PV	748204	47160.849	126314	Sellers and Sons, Inc.	05/01/15	482.09	5.98		476.11	12350987	05/14/15	476.11	May

**FY2015
Powell Bill Report**

Tab	Doc. Type	Doc. #	Acct #	Contract/ PO #	Explanation	G/L Date	Gross Amount due Vendor	Sales Tax	Retainage	Net of Sales Tax and Retainage	Check No.	Check Date	Mthly Total	
	PV	751215	47160.849	126314	Sellers and Sons, Inc.	06/01/15	1,333.75	16.62		1,317.13	12352002	06/11/15	1,317.13	Jun
	PV	754168	47160.849	126314	Sellers and Sons, Inc.	06/22/15	867.00	19.95		847.05	12352963	07/09/15		
	PV	754169	47160.849	126314	Sellers and Sons, Inc.	06/22/15	251.40	3.33		248.07	12352963	07/09/15		
	PV	754170	47160.849	126314	Sellers and Sons, Inc.	06/22/15	874.62	9.98		864.64	12352963	07/09/15		
	PV	754190	47160.849	126314	Sellers and Sons, Inc.	06/25/15	1,560.00	49.99		1,510.01	12352963	07/09/15		
	PV	754501	47160.849	126314	Sellers and Sons, Inc.	06/26/15	585.00	13.31		571.69	12352963	07/09/15	4,041.46	Jun accr
							5,953.86	119.16	-	5,834.70			5,834.70	
					Total Curb & Gutter		5,953.86							
					Less: Sales Tax		(119.16)							
					Amount Reported on Line 7		5,834.70							
Line 9 - Traffic Control														
	PV	719547	45200.8490	125111	Horner Paving Co.	08/15/14	5,440.00	93.41		5,346.59	12342312	09/04/14	5,346.59	Sep
	PV	734775	45200.8490	125111	Horner Paving Co.	12/22/14	6,720.00	115.39		6,604.61	12347180	01/15/15	6,604.61	Jan
	PV	744070	45200.8490	125111	Horner Paving Co.	03/13/15	7,040.00	115.50		6,924.50	12349685	04/09/15		
	PV	744069	45200.8490	125774	Horner Paving Co.	03/13/15	3,520.00	57.75		3,462.25	12349685	04/09/15	10,386.75	Apr
	PV	752359	45200.8490	126505	Diamond Construction	06/03/15	3,655.00			3,655.00	12352118	06/18/15	3,655.00	Jun
	PV	736085	45210.8490	125648	Clark Pavement Marking, Inc.	12/31/14	19,531.55			19,531.55	12347558	01/29/15	19,531.55	Jan
	PV	741841	45210.8490	126142	Clark Pavement Marking, Inc.	11/30/14	6,422.75			6,422.75	12349167	03/26/15	6,422.75	Mar
	PV	753628	45210.8490	126142	Clark Pavement Marking, Inc.	05/31/15	3,186.00			3,186.00	12352572	06/30/15	3,186.00	Jun
	PV	728503	45220.8490	125283	Fulcher Electric of Fayetteville	09/24/14	2,394.00			2,394.00	12345385	11/20/14	2,394.00	Nov
					Subtotal		57,909.30	382.05	-	57,527.25			57,527.25	
					Total Traffic Control		57,909.30							
					Less: Sales Tax		(382.05)							
					Amount Reported on Line 9		57,527.25							
Line 11 - New Construction														
Line 14 - Sidewalks														
Purdue Drive Sidewalk - SL 378912														
	PV	752905	86700.8584	126377	Sellers and Sons, Inc.		63,776.47	1,347.00		62,429.47	12352255	06/18/15	62,429.47	Jun
					Subtotal		63,776.47	1,347.00	-	62,429.47				
Sidewalk Maintenance														
	PV	748203	47160.8490	126314	Sellers and Sons, Inc.	05/01/15	669.08	18.29		650.79	12350987	05/14/15		
	PV	749429	47160.8490	126314	Sellers and Sons, Inc.	05/08/15	461.90	9.98		451.92	12351444	05/28/15	1,102.71	May
	PV	754171	47160.8490	126314	Sellers and Sons, Inc.	06/22/15	138.93	3.33		135.60	12352963	07/09/15	135.60	Jun accr
							1,269.91	31.60	-	1,238.31				
							65,046.38	1,378.60	-	63,667.78			63,667.78	
					Total Sidewalks		65,046.38							
					Less: Sales Tax		(1,378.60)							
					Amount Reported on Line 14		63,667.78							

**FY2015
Powell Bill Report**

Tab	Doc. Type	Doc. #	Acct #	Contract/ PO #	Explanation	G/L Date	Gross Amount due Vendor	Sales Tax	Retainage	Net of Sales Tax and Retainage	Check No.	Check Date	Mthly Total	
					Recap (from above):									
					Total Line 1 - Right of Way		6,761.00							
					Total Line 2 - Engineering		20,956.25							
					Total Line 3 - Paving/Resurfacing		2,110,715.24							
					Total Line 4 - Maintenance		152,555.14							
					Total Line 7 - Curb and Gutter		5,834.70							
					Total Line 9 - Traffic Control		57,527.25							
					Total Line 11 - New Construction		-							
					Total Line 14 - Sidewalks		63,667.78							
					Subtotal		2,418,017.36							
					Add: Debt Service		1,396,861.73							
					Total Expenditures for Powell Bill Streets		3,814,879.09							
					Total from Expenditure Report		3,814,879.09							
					Difference		-							

POWELL BILL EXPENDITURE GUIDANCE

The Powell Bill is codified in N.C.G.S. 136-41.1 through N.C.G.S. 136-41.4

N.C.G.S. 136-41.3 provides, in part: “the funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall be expended by said cities and towns **primarily for resurfacing of streets within the corporate limits of the municipality but may be used** for the purposes of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality's proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways, greenways or sidewalks.”

I. PURPOSES FOR WHICH POWELL BILL FUNDS CAN BE USED ARE:

Note: Street names must be written on invoices for any work listed below.

- A. Improvements or new construction of streets or public thoroughfares within the corporate limits, such as:
1. Stabilizing, grading.
 2. Paving, retreatments, and seal coating.
 3. Curb and gutter construction, including curb cuts for handicapped persons.
 4. Construction of necessary storm drainage for protection of street.
 5. Construction of bridges and culverts.
 6. Grade crossing eliminations.
 7. Necessary landscaping or seeding required for proper street maintenance.
 8. Widening.
 9. Purchase, rental, operation, and maintenance of equipment necessary for street construction.
 10. Engineering, surveying, and other expenses incurred in qualifying for Powell Bill Funds provided such data is to be used as basic information for the construction and maintenance of streets.
 11. Necessary legal expenses incurred in street improvement programs.
 12. Acquisition of right-of-way.
 13. Salaries for street labor, supervision of street labor, and engineering used **exclusively** in street construction. **(Maintain appropriate documentation to support expenditures.)**
 14. Sidewalk, greenway, and bikeway construction.
 15. Payments to contractors for any of the above.
- B. Routine maintenance on streets or public thoroughfares within the corporate limits, such as:
1. Dragging, machining, blading, or shaping.
 2. Patching, sealing or crack filling.
 3. Shoulder or curb and gutter maintenance and repair, including curb cuts for handicapped persons.
 4. Ditching, repair or maintenance of storm drains, culverts, catch basins, inlets, bridges, fills, etc., which are necessary and essential to street maintenance.
 5. Dust control treatments, calcium chloride applications.

6. Snow removal or sand and debris removal resulting from natural causes (includes sanding and salting for snow removal). **(Not normal garbage or refuse collection.)**
7. Mowing.
8. Labor, supervision, and engineering used exclusively in street maintenance. **(Maintain appropriate documentation to support expenditures.)**
9. Purchase, rental, operation and maintenance of equipment (including safety equipment) necessary and essential for street maintenance, and also including computers used exclusively for Powell Bill street maintenance. (Not software) Must prorate use of any equipment used for purposes other than eligible Powell Bill purposes. **(Maintain appropriate documentation to support expenditures.)**
10. Purchase of materials and supplies necessary for proper street maintenance and drainage.
11. Street sweeping.
12. Sidewalk, Greenway and Bikeway maintenance.
13. Payments to contractors for any of the above.

C. Traffic Control Purposes Such As:

1. Purchase and maintenance of traffic control devices including traffic counters.
2. Purchase and maintenance of other traffic signs necessary for proper traffic control. **(Not street name signs)**
3. Purchase and application of traffic paint including crosswalks and on-street parking.
4. Construction and maintenance of computerized traffic signal system.
5. Construction and maintenance of speed bumps.
6. Purchase of traffic cones. (Must prorate if used on non-Powell Bill streets.)

D. Special Street Assessments:

Payment of municipality's proportionate share of a special street assessment levy and cost incurred for improving intersections in an assessment program.

E. Bonds:

Current payment of principal or interest due on bonds outstanding, issued exclusively for streets and sidewalks, provided bonds were issued after enactment of Powell Bill.

F. Bikeways, Greenways, and Sidewalks:

For the planning, construction, and maintenance of bikeways, greenways, and sidewalks within the municipal limits or within the area of any metropolitan planning organization or rural planning organization.

G. Banking:

For fees associated with a checking account **ONLY** for Powell Bill. Prorated fees associated with a General Fund checking account with Powell Bill funds are not eligible. **Banking fees are only Powell Bill eligible if the checking account is established only for Powell Bill funds.**

H. Transportation Improvement Project (TIP):

N.C.G.S. 136-41.4 (effective October 1, 2007) provides the municipality an option to use some or all of its Powell Bill allocation for any Transportation Improvement Project currently on the approved project list within the municipality's limits or within the area of any metropolitan planning organization or rural planning organization. The amount of Powell Bill funds used must be an amount equal to that amount necessary to complete one full phase of the project.

I. Sales Tax Refund

If the municipality pays sales taxes on a Powell Bill eligible invoice and then files for a sales tax refund with the Department of Revenue, the municipality must return the sales tax refund to their Powell Bill account; not to their General Fund. The sales tax refund must be recorded on the Powell Bill Expenditures Report.

J. Interest

Interest income earned on your Powell Bill funds must be reported on your Powell Bill Expenditures Report. Powell Bill interest should not be placed in the General Fund but should become part of the Powell Bill fund account and used for Powell Bill purposes. This earned interest income should be added as a receipt on the Powell Bill Expenditures Report.

N.C.G.S. 136-41.3 further provides **“IT SHALL BE UNLAWFUL FOR ANY MUNICIPAL EMPLOYEE OR MEMBER OF ANY GOVERNING BODY TO AUTHORIZE, DIRECT, OR PERMIT THE EXPENDITURE OF ANY FUNDS ACCRUING TO ANY MUNICIPALITY BY VIRTUE OF G. S. 136-41.1 AND 136-41.2 FOR ANY PURPOSE NOT HEREIN AUTHORIZED. ANY MEMBER OF ANY GOVERNING BODY OR MUNICIPAL EMPLOYEE SHALL BE PERSONALLY LIABLE FOR ANY UNAUTHORIZED EXPENDITURES.”**

II. PURPOSES FOR WHICH POWELL BILL FUNDS CANNOT BE USED ARE:

1. Construction, maintenance or repair on Private Streets.
2. Street lighting.
3. Purchase or maintenance of parking meters.
4. Construction or maintenance of off-street parking areas or facilities.
5. Street name signs.
6. Leaf vacuums.
7. Street repairs necessitated by utility installation or repairs.
8. Installation, repair, removal of underground or overhead utility lines or fire hydrants.
9. Garbage or refuse collection or removal, including purchase, operation or maintenance of garbage trucks. **(Municipalities with combined street and sanitary departments should be careful with respect to separation of payrolls and purchases.)**
10. Salaries or other expenses for traffic policemen.
11. Police cars and motorcycles.
12. Construction or maintenance of streets outside corporate limits even though on municipally-owned property.

13. Thoroughfare Planning Studies or Pavement Management System Studies, and Bicycle Pedestrian Planning Grant.
14. Construction of equipment shed for housing street equipment.
15. Indirect costs such as budget administration, data processing, office equipment, etc.
16. Mowing along state system streets.

NOTE TO ALL MUNICIPALITIES: If you are not sure whether an expenditure is Powell Bill eligible or not, please consult with your municipality's attorney; the North Carolina League of Municipalities' attorneys; your municipality's auditor; or the Powell Bill Program with the North Carolina Department of Transportation.