



MEMORANDUM

TO: Richard McNabb, Mayor
City Council Members

FROM: Stevie Cox, City Manager

VIA: Clark Maness, WithersRavenel

CC: Rodney Johnson, Public Works Director
Crystal Postell, Finance Director
Robert Wilhoit, City Attorney

DATE: November 7, 2023

REF: Local Funding Allocation

Summary:

This request is to accept this Local Funding Allocation from the North Carolina General Assembly for water and sewer improvements.

Background:

In March 2023, the City Manager submitted to State House Representative Brain Briggs a letter which included special appropriation requests for the City of Trinity. This funding request included the following projects and budget amounts:

Proposed Projects for State Funding

Project	Funding Amount
A New Park	\$1,550,000
Construction of a New Community Center	\$3 - \$4 million
Development of a Greenway and Walking Trail	\$450,000
Sewer Line Extension for Economic Development	\$1,500,000

Replacing Sewer Pump Station for Pike Street and Darr Road Area	\$1,500,000
Gap Funding for the Interlocal Sewer Connection	\$1,500,000
Total Funding Requested	\$10,500,000

The proposed projects came from the approved Capital Improvement Plan that the City Council approved and adopted. Furthermore, the City Manager sent an email to the City Council seeking their input on the proposed funding request.

On September 22, 2023, the City of Trinity was awarded a grant in the sum of \$4,500,000 for wastewater system improvements. The funding award letter did not specify exactly how those funds were to be used. The State has stated that the City must decide on how those funds are to be used. The only stipulation is that those funds must be used to address either water or sewer infrastructure improvements.

The City Council has three options to consider in using these funds. First, the City Council could use the funds to address the three infrastructure improvement projects that are listed in the chart above. It is projected that this will not be enough funds to cover all three projects. The City would need to add additional funds from the Sewer Fund Balance to cover the cost of all three projects.

The second option is to divide the funding between two projects. Staff would recommend that the City divide those funds to address the sewer pump station for the Pike Street and Darr Road Area and the Gap Funding for the Interlocal Sewer Connection project. Staff would recommend that approximately \$3 million be used for the Gap Funding and \$1.5 million for the sewer pump replacement for the Pike Street and Darr Road Area.

The third option is to use the entire funding allocation to cover the gap funding for the Interlocal Sewer Connection. By doing so, the City would greatly reduce the likelihood of needing to take on a loan or use funds from the Sewer Fund Balance to cover any additional expenses related to this project. The City will not know the actual cost for this project until it is awarded to a contractor.

Recommendation:

Staff recommends that the City Council select one of the three options. Furthermore, the City Council should approve a Budget Ordinance that specifies how the funds shall be allocated.

Attachment:

Funding Request to Rep. Brian Biggs - March 20, 2023
 Press Release – September 21, 2023
 State Local Funding Allocation Notice
 Proposed Budget Ordinance and Resolution 24-03