



MEMORANDUM

To: Mayor and City Councilors
From: Rich Olson, City Manager
Date: November 5, 2013
Re: Consideration – Adoption of Budget Amendment

BACKGROUND:

In 2008, the City received \$500,000 from the NC Department of Commerce for the Aviation Park project. The grant was based on DRS creating 100 jobs; and each job created was worth \$5,000. City staff has met with representatives from the Department of Commerce to determine the number of jobs that DRS created. The Department of Commerce has determined that DRS created 87 jobs, which means that they are 13 jobs short of fulfilling their job creation commitment. The Department of Commerce is requesting that the City repay \$65,000. DRS did sign a Legally Binding Letter of Commitment and will be responsible for reimbursing the City for the \$65,000 grant repayment.

ANALYSIS:

As of October 28, 2013, the City had a balance of \$1,148,425.16 in the Aviation Park account. Once the IDF reimbursement payment is made, there are no more contingent liabilities that the City owes associated with the Aviation Park.

STAFF RECOMMENDATION:

By motion, adopt the attached budget amendment authorizing that \$65,000 be repaid to the NC Department of Commerce in connection with the Aviation Park IDF Grant.

RCO/vdw

BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2014:

SECTION I. That the Aviation Commerce Park Fund Balance Appropriation (633990.0000) and IDF Grant Reimbursement (639008.5000) be increased by \$65,000.

(DRS IDF Grant Reimbursement.)

Joseph W. Peel, Mayor

Dianne S. Pierce-Tamplen, MMC, City Clerk