THE CITY OF ASHEVILLE

**STAFF REPORT**

**Council Meeting Date:** October 24, 2023

**Subject:** Harrah's Cherokee Center - Asheville (HCCA) Fund Balance Budget Amendment

**Staff Resource(s):** Chris Corl, HCCA General Manager

**Action Requested:** Approval of a budget amendment to the HCCA Operating and Capital Funds in the amount of $1,400,000 for expenses related to repairs and upgrades of the Thomas Wolfe Auditorium.

**Background**:

- In July of 2023, the Thomas Wolfe Auditorium (TWA) was temporarily closed to events due to a full system failure of the HVAC system in the stage and seating chamber areas of the facility.
- Immediate assessment and repairs were initiated, and contractor estimates are that the total cost of repairs needed to host events at full capacity is approximately $1.4 million.
- The requested $1.4M will be utilized to repair HVAC systems, design and install a catwalk and fall arrest system in the TWA attic.
- Some of this work has already commenced using available funding in the HCCA Capital Fund.
- The HCCA fund balance is currently estimated to have $3.3M in available funds over the 16% of operating expenses fund balance policy target. Over $1.9M will remain over the policy minimum with approval of this fund balance appropriation.

**Council Goal(s):**

- A Financially Resilient City

**Committee(s)**:

- None - Asheville City Council Work Session 9/26
- Asheville Civic Center Commission - 10/3

**Pro(s):**

- Provides sufficient budget authorization for anticipated capital expenditures without requiring additional General Fund financial support for the HCCA.

**Con(s):**

- None

**Fiscal Impact**:

- The requested fund balance appropriation will reduce the HCCA Operating Fund fund balance as outlined above, but the fund will remain within its fund balance policy target.
- This funding will cover the cost of identified repairs already underway. Any available funds at the end of this project will be used towards a facility-wide upgrade project.

**Suggested Motion:**

- Motion to approve a budget amendment to the Thomas Wolfe Auditorium Renovation capital account in the amount of $1,400,000 for expenses related to repairs and upgrades of the Thomas Wolfe Auditorium.

**Attachment(s):**

- Budget Amendment

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That Section 1 of the City of Asheville FY 2023-2024 Annual Operating Budget Ordinance be amended to provide an fund balance appropriation of $1,400,000 for Harrah's Cherokee Center - Asheville Fund as follows:

**HARRAH'S CHEROKEE CENTER - ASHEVILLE FUND**

| | |
|---|---|
| Revenues: | |
| Fund Balance | $ 1,400,000 |
| Expenditures: | |
| Transfer to the HCCA Capital Projects Fund | $ 1,400,000 |

That Section 2 of the City of Asheville FY 2023-2024 Capital Projects Funds Budget Ordinance be amended to provide an appropriation of $1,400,000 for Harrah's Cherokee Center Asheville Capital Projects Fund as follows:

**HARRAH'S CHEROKEE CENTER - ASHEVILLE CAPITAL PROJECTS FUND**

| | |
|---|---|
| Revenues: | |
| Transfer from the HCCA Fund | $ 1,400,000 |
| Expenditures: | |
| Contracted Services | $ 750,000 |
| Construction | $ 600,000 |
| In House Labor | $ 50,000 |
| Total Expenditures | $ 1,400,000 |

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 24th day of October, 2023.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney