

MONDAY- 5:30 P.M.

APRIL 16, 2012

BUDGET WORK SESSION

The City Council of the City of Elizabeth City held its first budget work session on the 2012-2013 Fiscal Year budget on the above date and time in the City Council Chambers of the Municipal Administration Building with Mayor J. W. Peel presiding and counselors J. M. Baker, M. E. Brooks, R. T. Donnelly, L. M. Hill-Lawrence, L. A. Hummer, K. K. Spence, J. A. Stimatz and J. B. Walton in attendance. City staff members attending were: City Manager R. C. Olson, City Clerk D. S. Pierce-Tamplen, Finance Director S. E. Blanchard, Police Chief C. E. Crudup, Electric Director K. F. Clow, Public Utilities Director P. A. Fredette, Inspections Director S. E. Ward, Fire Inspector B. Overman and Parks and Recreation Director B. V. white.

Mayor Peel established a quorum was present and called the meeting to order at 5:30 p.m. He called for a moment of silent reflection after which he led the Pledge of Allegiance to the Flag of the United States of America.

1} APPROVAL OF THE AGENDA:

Mayor Peel called for the approval of the agenda.

A motion was made by Councilwoman L. A. Hummer, seconded by Councilwoman J. M. Baker to approve the agenda as presented. Those voting in favor of the motion were: Hummer, Baker, Brooks, Donnelly, Hill-Lawrence, Spence, Stimatz and Walton. Against: None. Motion carried.

Mayor Pro Tem Walton stated he would like to see that we can get a budget done in an aggressive state but we need to cover everything. He would like to have ground rules if we can. At times in the past we have said we can interact with the presentation. Sometimes that takes a long time. He has seen us say that you are not going to interact and we still interact. He thinks we need ground rules so we can at least get it completed.

Mayor Peel said his idea or understanding was we are trying to get about 15000 foot view of what is going on tonight and we have got many more opportunities to get in the details.

Mayor Pro Tem Walton said are we going to interact with the presentation. He says not interact or let's make a ruling because if we start interacting everybody should be able to interact.

Mayor Peel said Mayor Pro Tem Walton has brought up if we need ground rules so how would you like to engage tonight with the information. He is recommending that we listen and make sure we get through everything. Mr. Olson and I need to be at the County Commissioners meeting at 7:00 p.m. tonight. Do we have an agreement that is what we are going to do?

Mr. Stimatz said he would like to reserve the right to ask questions for clarification, one at a time. Occasionally there is stuff that you talk about that we don't understand or we don't know why and he would like to reserve the right to ask that question. If we wait too long then staff doesn't have time to come back with the answers.

Mayor Pro Tem Walton said he can ask the question but then after it is responded too by the city manager and his staff we don't need to respond anymore.

Mayor Peel said we are not going to debate the issue but we can ask questions for clarity.

Councilman Stimatz said if he is confused about an issue when it is coming up he would like to be able to ask the Manager what does that mean instead of holding it until the end.

Councilman Donnelly said before we get started he would like to take a moment to apologize to the Council and everyone else for his explicit use of words at the last meeting.

2} POWERPOINT PRESENTATION AND DISCUSSION OF FISCAL YEAR 2012-2013 RECOMMENDED BUDGET:

Mayor Peel called upon City Manager Olson for comments.

Mr. Olson stated it was his pleasure to give you an overview tonight of the 2012-2013 proposed budget. Pursuant to 160A-148 it is a requirement under state statute that the City Manager provides you a budget for further debate and consideration by the City Council. The 2012-2013 budget's total amount is \$75,712,941.00. It is considerable higher because of the number of capital items in here than the 2011-2012 budget which was \$68,327,150.00. Some of the Budget highlights are as follows:

- *General Fund expenditures increased by 12%
- *Multiple technological upgrades

- *Fixed Area Network for utility billing
- *3% property tax increase for 3 years for specific projects
- *No COLA for employees
- *5.8% increase in Health Insurance
- *\$1 increase in solid waste fee
- *Office Assistant upgrade to Code Enforcement Officer
- *2 new part-time grounds workers in Parks & Recreation
- *5% Electric Rate Increase
- *Same amount of transfer from Electric Fund
- *2 major electric line construction projects being paid for by NCDOT (North Road Street and Church Street Ext.)
- *Third and Final phase of Roanoke Avenue drainage project
- *Increased weatherization-related funding
- *New Dog Park near SPCA
- *Purchase of property for an additional park in the County
- *New Ladder Truck for Fire Department
- *City will begin receiving RO Water from the County.

The Specific Enhancement Projects for Tax Increase are as follows:

<u>Proposed Projects</u>	<u>Total Cost</u>	<u>FY 2012-2013</u>
*Charles Creek Park Pavilion	\$ 75,000.00	\$ 58,333.00
*Radio Upgrades for Fire/Police	122,000.00	40,666.00
Ladder Truck	900,000.00	100,000.00
*Improvements-Edgewood Prk	25,000.00	25,000.00
*Cameras-Police Cruisers	15,000.00	15,000.00
*Technology Upgrades	65,400.00	65,400.00
*Former Mid Sch Renovations	<u>75,000.00</u>	<u>75,000.00</u>
TOTAL	\$1,377,400.00	4379,399.00

*The future debt for the ladder truck beginning with the fiscal year 2015-2016 budget will be replaced from available debt capacity in subsequent years.

Mr. Olson went over the State Collected Revenues, other major Revenue Sources, transfers from the Electric Fund to the General Fund in Lieu of Taxes, Property valuation and Tax Rate from 2001 to 2012. He then went over the Expenditures by Fund, Expenditures by Type, Insurance Costs and Personnel Expenses.

Mr. Olson stated that he is only recommending three new positions. They are an upgrade Clerical Assistant to Code Enforcement Officer and two Grounds

Maintenance Workers that will be part time employees. He also reviewed the Retiree Benefits.

Mr. Olson stated the following is the Budget Service Level within the General Fund:

<u>Department</u>	<u>EY 2012</u>	<u>EY-2012</u>
*Legislative	\$ 129,363	\$ 129,874
*Administration	366,516	345,600
*Finance	373,968	361,434
*Tax Collection	95,000	100,000
*Legal	70,800	65,800
*Planning	368,919	380,044
*Public Buildings	244,125	253,035
*Police Department	5,673,045	5,815,381
*Fire Department	3,329,434	4,330,763
*Fire Inspections	290,478	300,366
*Inspections	385,908	406,336
*Public Works Admin	52,079	55,242
*GIS	157,181	148,138
*Garage	0	11,000
*Street	1,018,660	1,087,219
*Power Bill	466,124	987,388
*Sanitation	1,258,028	1,506,301
*Parks & Recreation	2,230,789	2,704,155
*Senior Center	150,992	152,273
*Cemeteries	54,000	54,000
*Non-Departmental	619,479	673,173
*ECDI	49,766	51,773
*Human Resources	225,945	231,849

ELECTRIC FUND:

*IT	108,213	387,606
*Purchasing	179,602	192,559
*Non-Departmental	33,923,686	34,730,888
*Customer Service	511,975	504,475
*Distribution	6,057,357	7,690,067
*Load Management	1,175,869	1,335,271

WATER/SEWER FUND:

*IT	114,594	115,545
*Non-Departmental	2,131,045	2,023,963
*Customer Service	487,086	521,038
*Water Treatment	1,796,302	1,774,946
*Wastewater Treatment	1,569,898	1,644,959
*Water/Sewer Maintenance	1,738,205	3,187,877

STORM WATER FUND

1,454,597

Mr. Olson continued with a brief overview of each department.

3} ADJOURNMENT:

There being no further business to come before the Council at this time, Mayor Peel adjourned the meeting at 7:03. p.m.

Dianne S. Pierce-Tamplen, MMC
City Clerk

Joseph W. Peel
Mayor