

WEDNESDAY-5:30 P.M. MAY 21, 2008 BUDGET WORK SESSION

The City Council of the City of Elizabeth City held a Budget Work Session on the above date and time in the City Council Chambers with Mayor S. S. Atkinson presiding. Those members of Council that were present were: D. B. Evans, L. A. Hummer, R. E. King, B. S. Meggs, E. K. Rivers, J. A. Stimatz and V. C. Watts. J. M. Baker was absent. Staff members in attendance were: City Manager R. C. Olson, Deputy City Clerk V. D. White, Inspections Director S. E. Ward, Planning Director J. C. Brooks, Fire Chief W. C. Pritchard, Finance Director S. E. Blanchard, Parks and Recreation Director J. D. Overman, Human Resource Director K. W. Felton, Electric Director K. F. Clow and Public Utilities Director P. A. Fredette.

Mayor Atkinson opened the meeting by welcoming those attending. He called upon Councilwoman V. C. Watts for the invocation after which he led the Pledge of Allegiance to the Flag of the United States of America.

1} APPROVAL OF THE AGENDA:

Mayor Atkinson called for action regarding the prepared agenda.

A motion was made by Councilwoman L. A. Hummer, seconded by Councilman R. E. King to approve the agenda as presented. Those voting in favor of the motion were: Hummer, King, Evans, Meggs, Rivers, Stimatz and Watts. Against: None. Motion carried.

2} REVIEW OF OUTSTANDING ISSUES:

Mayor Atkinson called upon City Manager Olson for a review of outstanding issues.

Mr. Olson stated before we get started on the budget he would like to have Chief Pritchard update you on something that occurred to one of his employees. You each received a notice of the untimely death of Captain Jeffrey Vaughan.

Chief Pritchard stated that Monday afternoon at approximately 4:30 p.m. Captain Vaughan passed. He had a traffic accident the prior Thursday and had some complications and died Monday afternoon. We have a wake set up for Friday night at the Pentecostal Church on US 17 South of Hertford. That is his family church. The wake that evening and on Saturday at 1:00 p.m. at the Evangelical Church on 17 South on Okisko Road they will be holding funeral services.

Mr. Olson stated that during the last budget meeting the Council asked a number of different questions which staff could not answer at that time. On May 19th we forwarded you a package that included a number of different items, the Animal Control Funding, Central Communications funding, County Fund Balances, Cost Allegations from the Enterprise Funds, Interlocal agreement for tax collection, the Sales Tax Legislation and funding methods. He would like to go over that very quickly.

The Animal Control Funding we have no formal agreement. The history associated with that was some time in the 60's or 70's. Currently the County pays 42.5%, the County pays 42.5% and Camden County pays 15.0%.

The Central Communications Funding was driven by June 1992 Resolution adopted by Pasquotank County, the City and Camden County. The cost sharing percentage is 50.0% Pasquotank, 33% City and 17% Camden. Staff continues to have operational issues with Central Communications.

There was a question concerning Pasquotank County Fund Balance. Their fund balance Reserve Fund as reported by the County for fiscal year ending 2007 was \$3,573,266 (8.29%). Their CAFR also indicated \$1,102,347 designated for subsequent year expenditures.

Concerning a facility study staff has contacted Steward-Cooper-Newell Architects, the firm responsible for performing Pasquotank County's recent Space Needs Study with a request for proposal to perform a Facility Study for the City's Midgett Building, Fire Administration Annex, Municipal Building, Public Utilities Building on Pritchard Street and Electric Shed/Purchasing facility on Poindexter. We are not having them to look at the fire stations. He feels that is a separate issue as they deal with location. However, this particular firm does a lot of architectural work associated with fire stations. There are three or four in northeastern North Carolina that are either under construction or have just been recently built by this firm. In talking with members of the Commissioners or staff they are very happy with the quality of work that they got from that particular firm. He feels the primary purpose for the facilities study would give us an indication of how much money we want to spend in our existing facilities. We talked about upgrades to the Midgett Building. We have in this year's budget \$125,000 for an elevator and we have roof repairs and some other items. The Council during our last discussion basically said that maybe we should look at a more comprehensive approach. Maybe we should go ahead and put \$800,000 in getting the Midgett Building brought up to standard right now instead of delaying it. There has to be a commitment to do something with our facilities or we are going to continue to have them like our sewer system we are spending millions of dollars when it could have been a few hundred thousands to bring them up to speed. The facility study will have multi phases in it. Do we want to look at

relocating our electric warehouse and purchasing on Poindexter and the Pritchard Street facilities out to our Wellfield? That has been discussed several times over the last few years. We need to have a goal to work toward. What are we going to do here at City Hall? We still have a fairly new building and it is still nice. We need new carpet and some cosmetic things associated with it but we do have a space issue. The Fire Annex Building is in dire need of a lot of work and it is one of those that we may want to basically look at putting the Fire Annex building with a new fire station building. We need some target date that we can work toward. Whatever we do, this Council or future Council are going to have to bite the bullet and say we are going to have to raise property taxes to \$.03-\$.04 so that we can have these facilities. That is what the County has done with the library and public safety building, the jail and other facilities. He briefly discussed the different ways that the City could perhaps finance new facilities. Until we have an idea of what figure we are looking at then we can determine what we can do. We do have some things that we need to look at.

He continued discussion regarding the City Council COLA. Staff has adjusted the recommended budget to reflect the City Council salary adjustments for members as follows: Mayor - \$700; Mayor Pro Tem \$650 and Council members \$600 per month. These salaries will not receive a COLA for fiscal year 2008-2009 but thereafter will receive automatically any COLA approved for city employees.

The next thing he was asked to investigate was the 12-months intern in the City Manager's office. The salary would be \$28,000, benefits-\$3,500 and incidentals would be \$2000 for a total \$33,500.

The next item is where we had a lot of discussion and we sort of got bogged down on the whole compensation thing. What we have done here is we have a break down of the COLA at 4.1% which is included in the budget. Another figure was 3.5% as well as 3%. We broke it down by the different funds. By lowering the COLA from 4.1% to 3.5% we see a savings of \$47,532. If you lower it down to 3% you get \$89,827. Remember the budget that he brought to you included a net \$.01 tax increase which means about \$120,000.

Discussion on the COLA was held by each member of Council.

Mr. Olson continued discussion by advising that five additional cameras have been proposed at an amount of \$40,000. To have a net zero affect on the budget what we would do to cover that would be installment purchase but we would eliminate two of the proposed in-car cameras. The present budget includes 10 in-car cameras plus four new cars with in-car cameras with a total of 14 in-car cameras. At the present time we have none.

3} CONTINUATION OF GENERAL FUND DISCUSSION:

Mayor Atkinson called upon City Manager Olson for comments.

Mr. Olson continued discussing the remaining items within the General Fund.

He ended his discussion by discussing the revenue from the Stormwater Utility fund. We have \$931,000 total revenue.

4} ADJOURNMENT:

Mayor Atkinson advised that our next budget meeting would be on May 28, 2008. He adjourned the meeting at 8:38 p.m.

Dianne S. Pierce-Tamplen, MMC
City Clerk

Stephen S. Atkinson
Mayor