

**CITY OF LAURINBURG
CITY COUNCIL SPECIAL MEETING/BUDGET WORKSHOP
MAY 11, 2015
MUNICIPAL BUILDING
303 WEST CHURCH ST.
5:30 p.m.**

Minutes

The City Council of the City of Laurinburg held a special meeting/retreat on April 13, 2015 at 5:30 p.m. in the Council Chambers of the Municipal Building with the Honorable Thomas W. Parker III, Mayor, presiding. The following Councilmembers were present: Mary Jo Adams, Dolores A. Hammond, Curtis B. Leak, Andrew G. Williamson, Jr, and J. D. Willis.

Also present were Charles D. Nichols III, City Manager, and Jennifer A. Tippett, City Clerk.

Staff present included the following: Cindy Carpenter, Finance Director; Harold Haywood, General Services Director; Stacey McQuage, Public Utilities Director; Police Chief Darwin Williams; Fire Chief Randy Gibson; Tim Pierce, GIS Administrator; Betty Galloway, Human Resources/Risk Management Director; and Teddy Warner, Community Development Director.

Councilmember Adams gave the invocation.

Mayor Parker called the meeting to order at 5:30 p.m.

FY 2015-2016 BUDGET

The City Manager reviewed the proposed FY 2015-2016 budget with highlights as follows:

- General Fund revenues were based upon the expected current year revenues. Includes 80% reimbursement for Commonwealth Bridge replacement.
- Privilege license revenues were removed. There has been discussion on State level for municipalities to charge a business registration fee. Some municipalities are increasing property taxes to replace this revenue.

Upon question by Councilmember Hammond, Mrs. Carpenter explained that staff is informing businesses as they come in or call about privilege license renewal. She added that businesses were informed when paying FY 14-15 privilege license fees that said fees could no longer be charged after June 30, 2015.

A brief discussion ensued concerning business registration. No action was taken on this matter.

The City Manager continued reviewing the proposed FY 2015-2016 budget:

- There will be a slight increase in sales tax revenue based on State projections.
- County increased Fire Tax.
- In summary, estimated revenue is flat with the main difference being the grant reimbursement for the Commonwealth Bridge Replacement Project.

Upon questions by Councilmember Willis, the City Manager explained that the budget does not include transfers from the General Fund to enterprise funds; however, the budget includes Management Fees for management of each enterprise fund. He added that the total estimated revenue into the General Fund was \$7.4 million.

Upon question by Councilmember Willis, Mrs. Carpenter explained that in addition to the budgeted Fund Balance appropriation of \$662,000.00, Council approved budget amendments throughout the year that appropriated a total of \$127,000.00 in FY 2014-2015 for items added after the budget was approved.

The City Manager resumed discussion of the proposed FY 2015-2016 Budget as follows:

410-Governing Body

The City Manager explained that the main increase in this budget is for iPads for electronic agendas.

The City Clerk discussed the paperless agenda process. She explained that based upon discussion with the County Clerk, she planned to utilize the free account on Dropbox at first.

Discussion ensued concerning whether to include funds for an account with Dropbox.

Upon questions by Councilmember Hammond, the City Clerk explained that the IT Manager would conduct training for using the iPads. Staff will investigate iPad training.

420- Administration

The City Manager explained that the budget was a slight reduction from the current year with the addition of \$4,000.00 for computers for the City Manager and City Clerk, since both computers run slowly on some days and in the event one or both of them crash.

421-Personnel/Safety

The City Manager explained that this budget is basically flat with no capital items requested. He added that the only increase shown is for health insurance because there will be a 9.7% increase in rates for the current plan. He added that last year the plan was changed from a 90/10 plan to an 80/20 plan with no increase in rates. He further added that the increase in rates is due to fees associated with the Affordable Care Act.

Upon question by Councilmember Willis, Mrs. Galloway explained that the rate increase amounts to \$79,422.72.

Upon question by Councilmember Adams, Mrs. Galloway explained that the \$300.00 for uniforms was for shirts with the City logo to wear when attending conferences.

Discussion ensued concerning the purchase of the City logo shirts. The City Manager explained that the City pays for the shirts if the department chooses to include it in the budget. He added that funds were included in Governing Body's budget for shirts or windbreakers for Council.

Mayor Parker explained that he felt it should not be up to the Department but should be City policy. He added that if employees need the shirts in their line of work, then the City should provide.

Councilmember Hammond explained that in the past if employees wanted a shirt with the City logo on it, they purchased the shirts themselves.

Upon question by Councilmember Hammond, Mr. McQuage explained that at first he bought his shirts with the City logo, and now the City pays for two (2) to three (3) every other year.

Councilmember Hammond clarified that the policy now is that the City will purchase the logo shirts if the department so chooses.

Upon question by Councilmember Adams, the City Manager explained that previously there had been no automobile for Human Resources, and a police vehicle that is being replaced this year will be transferred to Human Resources. He added that the only cost would be for maintenance and repair of that vehicle.

441-Finance/Accounting

The City Manager explained that operating costs were decreased from the previous year. He added that there is a printer included at \$4,500.00.

Upon question by Councilmember Willis, Mrs. Carpenter explained that the server discussed last year had been delivered but had not been installed.

460-Taxation

The City Manager explained that originally staff had increased the Professional Fees line item for foreclosures, but it had been reduced back to \$20,000.00. He added that staff will meet with the City Attorney to get an estimate from him on the cost of foreclosures.

500-Building Maintenance

The City Manager explained that since a new city hall is being considered, staff needed Council's direction on expenditures in line item 500-501500 Maintenance and Repair Building. He further explained that the budget includes \$27,000.00 for replacing the roof at the Sanford Building and \$9,300.00 for mildew removal and painting at the Barrett Building. He also discussed line item 500-703400 Equipment Replacement which includes \$12,000.00 for heat pump replacement at the Sanford Building. He added that staff had already removed a \$70,000.00 generator for the Barrett Building and City Hall.

Following discussion, it was consensus of Council for staff to bring back to Council estimate and details on patching the roof at the Sanford Building and heat pump replacement.

501-Community Development

The City Manager explained that the Litter position had been moved to Community Development which increased Salaries & Wages and Departmental Materials & Supplies and a truck in the Equipment line item to transport the inmates.

502-IT

The City Manager explained that this department was basically flat in expenditures. He added that originally the budget included purchasing a truck; however, it had been removed and the IT Manager would be given the Assistant Police Chief's vehicle.

Discussion ensued concerning the salary line item. The City Manager explained that the IT Manager was brought onboard with the idea that he would work up to being IT Director.

Upon question by Councilmember Hammond, Mrs. Galloway explained that she was not aware of anything in the Certification Policy that an employee loses the salary increase if the employee loses the certification except for the OSHA certification.

503-Planning

The City Manager explained that this budget was a slight decrease from the previous year.

504-GIS

The City Manager explained that the budget includes \$14,000.00 for a new scanner and \$3,000.00 for a new server. He added that the County will pay for one-half the server and that he has reached out to the County to see if they wish to participate in purchasing the scanner.

Discussion ensued concerning the GIS server.

505-Beautification

The City Manager explained that on the operations side, this budget is fairly flat with a slight increase in Departmental Materials & Supplies for maintenance at the entrance signs and the flower beds at the signs. He added that in Capital Outlay, there are right-of-way trees, Annual Tree Giveaway, and \$83,000.00 included for larger entrance signs on US Highway 74 and for improvements to the former Branch's lot.

Mr. Warner presented a PowerPoint on ideas for improvements at the former Branch's lot which were discussed at the Beautification Committee meeting on April 28, 2015. He explained that one of the ideas mentioned was an art park. He discussed his involvement of the UNC Pembroke Art Department.

Discussion ensued concerning an Art Park and the funding for improvements.

Mr. Warner explained that if the project were delayed until the spring, Sandhills Community College Landscaping Department is interested in this project which could save the City a lot of money.

Mayor Parker called for a break at 6:43 p.m.

The meeting resumed at 7:02 p.m.

505-Beautification (cont'd)

It was consensus of Council for Mr. Warner to provide more definitive estimates for improvements at the former Branch's lot.

Cemetery-506

The City Manager explained that overall this budget decreased from the previous year due to completion of the new road project. He added that with the opening of two (2) more sections, there will be some associated expenses.

Discussion ensued concerning spraying for fire ants and for weed control and the Memorial Tree Program.

510-Police

The City Manager explained that the overall Police Department budget was decreased by approximately \$100,000.00. He added that utilities increased due to utilizing the Sanford Building and that \$16,000.00 was removed from capital expenditures for body cameras due to donations.

Police Chief Williamson discussed the body cameras.

590-Animal Control

The City Manager explained that this budget was the same as last year.

Upon questions by Councilmember Hammond, Police Chief Williams explained that the Animal Control Officer (ACO) is a sworn police officer and his work hours are 8:00 a.m. to 5:00 p.m. He added that the ACO is also one of the department's canine officers and can be called out after hours as needed.

Councilmember Leak expressed concern over the number of dogs and cats in the City without tags. Police Chief Williams explained that the ACO is putting out notices when he observes untagged animals.

530-Fire Department

The City Manager explained that this budget is flat on the operations side and includes in capital \$149,000.00 for the joint funding for the fire truck. He added that Council had agreed to purchase the equipment for the new fire truck in Fiscal Year 16-17. He discussed the proximity controlled access system for the fire stations.

535 – Rescue

The City Manager explained that the Rescue Squad requested a \$5,000.00 increase in the budget which will be split between the City and the County.

545-Public Works Administration

The City Manager explained that this budget had no changes from the previous year.

562-Streets & Highways

The City Manager explained that utility charges for street lights and signage had been removed from this budget and moved to the Electric Department.

Discussion ensued concerning the County's proposed fee for the landfill.

Discussion ensued concerning the Certification Policy. Councilmember Hammond explained that Council should review the Certification Policy to take into consideration in the budget.

Discussion ensued concerning equipment replacement including a bush hog, truck and downtown signage to match the light poles.

Upon question by Councilmember Williamson, Mr. Haywood explained that new trashcans for downtown were removed from the Solid Waste budget last year and he did not include them in this year's budget.

Councilmember Leak expressed concern about replacing lights in the downtown area when they are burnt out.

Discussion ensued concerning the purchase of a bus to transport inmates. The City Manager explained the cost is split between Streets & Highways and Sanitation. He added that currently the City has 17-18 inmates and need to be able to adequately transport them.

Upon question by Councilmember Adams, Mr. McQuage explained that this would be the third year that the City has not funded street resurfacing.

Discussion ensued concerning the street priority list and the street survey conducted in 2005. Mr. McQuage explained that sooner or later, the City would need to catch up on street resurfacing.

Councilmember Leak requested a copy of the street priority list.

563-Storm Drainage

The City Manager explained that this budget was less than the previous year.

564-Fueling Facility

The City Manager explained that this budget is reduced from the previous year because of the capital improvement being completed this year.

565-Garage

The City Manager explained that operational expenses for this department were flat, but capital expenditures included \$31,000.00 for a shop truck and \$5,000.00 for replacing an air compressor. He added that staff had already removed a 3-bay expansion for the shop.

660-Non-Departmental

The City Manager explained that this budget included funds for two (2) employees to attend the Municipal Administration class at the School of Government, municipal elections and reimbursement to the County for 911 operations.

The City Manager explained that as the budget currently exists, expenditures in the General Fund exceed revenues by \$680,000.00. He added that this budget does not include health insurance and property and liability insurance costs, Workers' Comp costs, or any cost of living adjustment (COLA) for employees. He further added that a rough estimate of a 2% COLA in the General Fund is \$70,000.00.

Discussion ensued concerning presentation of a budget without utilizing Fund Balance. The City Manager explained that he felt revenues were in line with previous years and in order to present a budget without utilizing Fund Balance, \$680,000.00 would need to be cut from the budget and there would be no COLA for employees presented.

Upon question by Mayor Parker, Mrs. Carpenter explained that estimated revenue for FY 2014-2015 is \$7.779 million and estimated expenditures is \$7.2 million.

The City Manager explained that expenditures would exceed revenues by \$192,000.00 for the current year. He added that the estimated revenue of \$7.779 million included Fund Balance appropriation of 200,000.00, which is less than the \$789,000.00 budgeted in FY 2014-2015.

Discussion ensued concerning the Fund Balance and Fund Balance appropriations.

Discussion ensued concerning estimated revenues. Mrs. Carpenter explained that estimated revenues are very conservative.

Councilmember Willis explained that he would like to see a balanced budget without appropriating Fund Balance. He added that he would like to see the City Manager and staff decrease expenses and let Council know the impact of the cuts.

Further discussion ensued concerning Fund Balance.

The City Manager requested Council's direction concerning a COLA for employees.

Discussion ensued concerning COLA as a percentage or as a bonus and what surrounding governments were doing with regard to employees' salaries.

Discussion ensued concerning comparing actual amount budgeted versus actual expenditures for the past three (3) years.

Discussion ensued concerning the next budget meeting. The City Manager explained that he would like to discuss the enterprise funds next and then come back to Council with the General Fund.

Following discussion, it was consensus of Council to meet Wednesday, May 13, 2015 to review the enterprise funds.

ADJOURNMENT/RECESS

Motion was made by Councilmember Willis, seconded by Councilmember Adams, and unanimously carried to recess the meeting to 6:00 p.m. on Wednesday, May 13, 2015 in the council room of the Municipal Building.

The meeting recessed at 8:24 p.m.

Thomas W. Parker III, Mayor

Jennifer A. Tippett, City Clerk