



MEMORANDUM

TO: Members of the Finance Committee

FROM: Rich Olson, City Manager

DATE: May 22, 2019

REF: Consideration – Hold a Public Hearing for Adoption of Fiscal Year 2019-2020 Budget Ordinance

BACKGROUND:

The City of Elizabeth City began the fiscal year 2019-2020 budget process with a pre-budget work session on April 1, 2019, at which time I presented to the Council the Manager's Recommended Budget pursuant to NCGS §160A-147. The City Council discussed the fiscal year 2019-2020 proposed budget during four additional budget work sessions. The City Council called for a Public Hearing when the Budget Calendar was adopted.

ANALYSIS:

Attached you will find a copy of the fiscal year 2019-2020 budget ordinance, which reflects the changes that the City Council made to the Manager's Recommended Budget. The City is anticipating revenues in the General Fund of \$22,640,317; \$35,885,608 in the Electric Fund; \$13,221,746 in the Water and Sewer Fund; \$591,000 in the Storm Water Fund; and \$1,897,353 in the Solid Waste Fund. The total amount of revenue reflected in the fiscal year 2019-2020 budget is \$74,361,024. This amount is reduced by the inter-fund transfer of \$1,875,000. The net amount of revenue anticipated for next fiscal year is \$72,361,024. State law requires the City to have a balanced budget; therefore, the expenditures in all funds reflect the available revenue. The net expenditures will be \$72,361,024.

There is no tax increase proposed for fiscal year 2019-2020. The City's tax levy for fiscal year 2019-2020 will be \$.655 per \$100 valuation. The total valuation is estimated to be \$1,187,589,114.

The Municipal Service District Tax for properties located within the downtown district will be \$.085 per \$100 valuation, which is the same as fiscal year 2018-2019.

The proposed budget does include a 3% cost-of-living adjustment (COLA) for City employees with the exception of police, fire, and electric employees who will receive 6%. Additionally, there will be a \$300 Christmas bonus for all FLSA-exempt employees. The City will continue with its existing Pay Compression Adjustment (longevity) bonus plan. Health insurance coverage is authorized with Municipal Insurance Trust; employees and eligible retirees shall pay \$39.72 per month toward their health insurance coverage.

No fee increases have been budgeted in the Electric Fund, Water and Sewer Fund, the Solid Waste Fund, or the Storm Water Utility Fund.

Finally, the City of Elizabeth City FY 2019-20 Fee Schedules document and the Capital Improvement Plan will be adopted by reference in the budget ordinance for fiscal year 2019-2020. Copies of these documents are included for your reference.

Due to the number of changes made by the Council to the Manager's Recommended Budget, the new budget book will be distributed to the Council within a few weeks. A copy of the Budget Ordinance was forwarded to the auditors and the LGC for approval of our wording. General statute states that budgets are to be based on department or function; you will notice that the Enterprise Funds are being budgeted by function (fund).

AT THE CONCLUSION OF THE PUBLIC HEARING:

STAFF RECOMMENDATION:

By motion, recommend that the City Council adopt the Fiscal Year 2019-2020 Budget Ordinance.

FY 2019-2020 BUDGET

BE IT ORDAINED by the City Council of the City of Elizabeth City, North Carolina:

SECTION 1. It is estimated that the following revenues will be available for the City of Elizabeth City for the fiscal year beginning July 1, 2019 and ending June 30, 2020;

General Fund

Current Year's Property Taxes	\$7,998,300
Delinquent Property Taxes	463,655
Sales Taxes	1,526,000
Powell Bill Funds	480,000
Local Option Sales Tax	3,833,992
Investment Earnings	245,000
Licenses and Permits	533,000
Sales and Services	1,660,232
Payments in Lieu of Taxes and Services	1,775,000
Other Revenues	4,125,138
TOTAL GENERAL FUND REVENUES	\$22,640,317

Electric Fund

Energy Sales	\$32,500,000
Other revenues	3,385,608
TOTAL ELECTRIC FUND REVENUES	\$35,885,608

Water and Sewer Fund

Water Sales	\$5,102,073
Sewer Sales	3,134,000
Other revenues	4,985,673
TOTAL WATER AND SEWER FUND REVENUES	\$13,221,746

Stormwater Utility Fund

Residential Revenue	\$220,000
Commercial Revenue	363,000
Other revenues	8,000
TOTAL STORMWATER AND SEWER FUND REVENUES	\$591,000

Solid Waste Fund

Residential revenue	\$1,637,453
Other revenue	259,900
TOTAL SOLID WASTE FUND REVENUES	\$1,897,353

SUBTOTAL

LESS INTERFUND PAYMENTS

TOTAL

\$74,236,024

(1,875,000)

\$72,361,024

SECTION 2. It is hereby appropriated for the operation of the City of Elizabeth City and its activities for the fiscal year beginning July 1, 2019 and ending June 30, 2020; the General Fund is budgeted by departments as listed below, and the Enterprise Funds are budgeted by fund. The detail provided is for internal use only.

General Fund

Legislative	\$140,874
Administrative	543,867
Finance	492,392
Tax	140,000
Legal	68,800
Code Enforcement	164,265
Planning	343,167
Public Building	554,781
Police	7,126,234
Fire	4,074,529
Fire Inspections	318,363
Building Inspections	310,782
Public Utilities	2,084,991
Parks and Recreation	4,498,881
Non-Departmental	1,085,388
Human Resources	352,897
Information Technology	340,106
TOTAL GENERAL FUND	\$22,640,317

Electric Fund

Data Processing	\$112,934
Warehouse and Purchasing	233,790
Non-Departmental	27,598,125
Customer Service Department	422,143
Electric Distribution	6,423,040
Energy Management	1,095,576
TOTAL ELECTRIC FUND	\$35,885,608

Water and Sewer Fund

Data Processing	\$112,774
Non-Departmental	1,318,845
Customer Service Department	420,293
Water Supply and Treatment	5,095,591
Wastewater Treatment	1,860,468
Water and Sewer Maintenance	4,413,775
TOTAL WATER AND SEWER FUND	\$13,221,746

Stormwater Utility Fund

Stormwater Utility	\$591,000
TOTAL STORMWATER FUND	\$591,000

Solid Waste Fund

Solid Waste	\$1,897,353
TOTAL SOLID WASTE FUND	\$1,897,353

SUBTOTAL	\$74,236,024
LESS INTERFUND PAYMENTS	(1,875,000)
TOTAL	\$72,361,024

SECTION 3. There is hereby levied a tax at the rate of \$.655 per \$100 valuation of property as listed for taxes as of January 1, 2019 for the purpose for the purpose of raising the revenue listed as "Current Year's Property Taxes" as set forth in the foregoing estimates of revenue and a motor vehicle fee of \$15.00 per vehicle.

The tax rate is based on an estimate total valuation of property for the purpose of taxation of \$1,187,589,114 and an estimated rate of collection of 96 percent.

SECTION 4. There is hereby levied a tax that at the rate of \$.085 per \$100 valuation of property listed for taxes as January 1, 2019 located within the Municipal Service Tax District.

SECTION 5. That an increase of 3 percent cost of living adjustments be established for general personnel and 6 percent for police, fire and electric personnel.

SECTION 6. That a holiday bonus of \$300 be given to all FLSA exempt employees in November.

SECTION 7. That a longevity payment be continues at the rate of \$125 per year of employment.

SECTION 8. That the health insurance coverage be authorized with Municipal Insurance Trust and employees and eligible retirees shall pay \$39.72 per month towards their health insurance coverage.

SECTION 9. That the parking rental fee remain \$25 monthly for City-owned parking lots.

SECTION 10. That the City of Elizabeth City fee schedule be adopted by reference which includes the adoption of the new system development fees.

SECTION 11. That the City of Elizabeth City Capital Improvement Program be adopted.

SECTION 12. The Budget Officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department.

SECTION 13. Outstanding purchase orders and projects as of June 30, 2018, are hereby re-appropriated to this budget.

SECTION 14: All ordinances or parts of the Ordinances in conflict herewith are hereby repealed.

Adopted on this 10th day of June 2019.

Bettie J. Parker
Mayor

April Onley
Interim City Clerk