



MEMORANDUM

TO: Mayor and Members of City Council

FROM: Rich Olson, City Manager

DATE: June 5, 2018, 2018

REF: Consideration – Hold a Public Hearing on FY 2018-2019 Budget

BACKGROUND:

During the City Council meeting held on February 26, 2018, the Council adopted the following budget meetings calendar for fiscal year 2018-2019. This calendar also included dates on which budget actions would be taken during Regular Sessions in order to complete the budget process.

Meeting Date/Time	Action
March 12, 2018 - 5:30 p.m.	Pre-budget Work Session
April 16, 2018 - 5:30 p.m.	Present Staff Budget
April 30, 2018 – 5:30 p.m.	Review General Fund
May 7, 2018 – 5:30 p.m.	Review Enterprise Funds
May 21, 2018 - 5:30 p.m.	Review City Council Changes
May 29, 2018 – 7:00 p.m.	Call for Public Hearing During Regular Session
June 11, 2018 – 7:00 p.m.	Hold Public Hearing During Regular Session
June 25, 2018 – 7:00 p.m.	Adopt Fiscal Year 2018-2019 Budget during Regular Session

On April 16, 2018, City staff provided a copy of the recommended City of Elizabeth City budget for fiscal year 2018-2019 to members of the City Council; and to date, the above budget schedule has been followed. Pursuant to the City Council budget calendar, City Council called for a public hearing at their May 29, 2018 meeting.

ANALYSIS:

NCGS §159-12 requires the City to publish notice that the proposed budget has been submitted to the governing body and that it is on file with the city clerk and available for public inspection. This notice must also include the time and date for the public hearing and must appear once in a newspaper of general circulation at least ten days before the public hearing is held. The Council's Rules of Procedure require the Council to call for all public hearings by majority vote.

During the May 21, 2018 budget work session, members of City Council were able to reach a consensus on all outstanding budget related issues. Some of those issues included: providing a 1% COLA to all City employees; addressing the salary compression issue within the Fire Department; adding an additional firefighter position; decreasing the motor vehicle tax from the proposed \$30 to \$20 per vehicle; and purchasing one additional police car. To balance the General Fund, we have decreased the number of AR-15s in the Police budget from fifteen (15) to eight (8). We have also decreased the amount allotted for police in-car cameras by \$9,000, as the City has secured a grant to help offset the price of the purchase. The aforementioned grant will be on the agenda for the May 29th City Council meeting. The City Council approved a new trash truck via installment purchase in the Enterprise Fund. In addition, a new fogger machine and truck will also be purchased. In the Electrical Fund, the amount budgeted for weatherization was lowered from \$260,000 to \$160,000; the savings from this adjustment will be used to pay for the second drive-up lane at City Hall. No substantial changes were made within the Water and Sewer Fund, or in the Stormwater Fund. No modifications have been made from the May 29, 2018 meeting.

FINANCIAL:

The Finance Committee discussed this matter during their June 7, 2018 meeting. Upon motion made by Councilwoman Young, seconded by Councilwoman Hummer, the Committee unanimously recommended to take no action and vote on Budget at June 25, 2018 by the City Council.

STAFF RECOMMENDATION:

AT THE CONCLUSION OF THE PUBLIC HEARING:

By motion, take no action and schedule a vote on the Budget on the June 25, 2018 City Council meeting.

CHANGES TO RECOMMENDED BUDGET 2018/2019

	<u>Revenue</u>	<u>Expenditures</u>
GENERAL FUND		
Fund Balance Appropriated	\$140,155	\$
Grant Proceeds- CAMA/PARTF	147,950	
Fund Balance Appropriated - Powell Bill	100,000	
Motor Vehicle Tax Decrease \$30 to \$20	(100,000)	
Installment Purchase Proceeds -Fleet Car- Administration	28,900	
Installment Purchase Proceeds -Truck- Public Buildings	27,400	
Installment Purchase Proceeds -Truck-Fire Inspections	36,075	
Installment Purchase Proceeds -Police Car	48,000	
Property Taxes	22,253	
Food Bank		20,000
Christmas Bonuses		47,100
Retiree Health Insurance		109,984
1% COLA for Council and Employees		115,319
Police Car		48,000
Installment Purchase - 4 vehicles		29,100
AR -15 Rifles - Decreased from 15 to 8		(7,105)
Camera Grant		(9,000)
Salary Compression - Fire Department		50,565
New Position - One Firefighter		49,770
Fire Departmental Supplies		(3,000)
	<u>\$450,733</u>	<u>\$450,733</u>
ELECTRIC FUND		
Energy Sales	\$81,607	\$
1% COLA		23,637
Christmas Bonuses		9,450
Retiree Health Insurance		43,520
Weatherization		(100,000)
Drive-Through Window - Customer Service		100,000
Rent - Satellite Location		5,000
	<u>\$81,607</u>	<u>\$81,607</u>
WATER AND SEWER FUND		
Fund Balance Appropriated	\$37,366	\$
1% COLA		17,417
Christmas Bonuses		12,150
Retiree Health Insurance		3,799
Rent - Satellite Location		4,000
	<u>\$37,366</u>	<u>\$37,366</u>
SOLID WASTE FUND		
Fund Balance Appropriated	(\$117,731)	\$
Installment Purchase Proceeds - Refuse Truck	277,076	
1% COLA		8,274
Christmas Bonuses		5,100
Retiree Health Insurance		53,556
Installment Purchase - Refuse Truck		55,415
Fogger		10,000
Truck		27,000
	<u>\$159,345</u>	<u>\$159,345</u>

FY 2018-2019 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, 2018 and ending June 30, 2019:

<u>General Fund</u>	
Current Year's Property Taxes	\$ 7,906,310
Delinquent Property Taxes	346,105
Sales Taxes	1,482,270
Powell Bill Funds	480,000
Local Option Sales Tax	3,622,643
Investment Earnings	85,000
Licenses and Permits	498,100
Sales and Services	1,572,866
Payments in Lieu of Taxes and Services	1,775,000
Other Revenues	2,267,693
 TOTAL GENERAL FUND REVENUES	 \$ 20,035,987
<u>Electric Fund</u>	
Energy Sales	\$ 31,895,555
Other Revenues	3,105,298
 TOTAL ELECTRIC FUND REVENUES	 \$ 35,000,853
<u>Water & Sewer Fund</u>	
Water Sales	\$ 4,905,055
Sewer Sales	3,025,000
Other Revenues	3,666,621
 TOTAL WATER & SEWER FUND REVENUES	 \$ 11,596,676
<u>Stormwater Utility Fund</u>	
Residential Revenue	\$ 207,000
Commercial Revenue	335,000
Other Revenues	5,500
 TOTAL STORMWATER UTILITY FUND REVENUES	 \$ 547,500
<u>Solid Waste Fund</u>	
Residential Revenue	\$ 1,561,721
Other Revenues	380,736
 TOTAL SOLID WASTE FUND REVENUES	 \$ 1,931,614
 SUBTOTAL	 \$ 69,112,630
 LESS INTERFUND PAYMENTS	 <1,875,000>
 TOTAL	 \$ 67,237,630

SECTION 2. The following amounts are hereby appropriated for the operation of the City of Elizabeth City and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

<u>General Fund</u>	
Legislative	\$ 144,215
Administrative	531,937
Finance	407,247
Tax	145,000
Legal	68,800
Code Enforcement	170,828
Planning	406,521
Public Building	525,014
Police	6,742,687
Fire	3,931,812
Fire Inspections	335,071
Inspections	318,339
Public Works	2,048,650
Parks and Recreation	2,871,798
Non-Departmental	828,726
Human Resources/Safety Liability	321,364
Information Technologies	237,978
TOTAL GENERAL FUND APPROPRIATIONS	\$ 20,035,987
<u>Electric Fund</u>	
Data Processing	\$ 338,497
Warehouse & Purchasing	184,542
Non-Departmental	26,972,566
Customer Service Department	685,750
Electric Distribution	5,787,543
Energy Management	1,031,955
TOTAL ELECTRIC FUND APPROPRIATIONS	\$ 35,000,853
<u>Water & Sewer Fund</u>	
Data Processing	\$ 343,116
Non-Departmental	1,317,940
Customer Service Department	579,262
Water Supply & Treatment	2,578,880
Wastewater Treatment	1,776,806
Water & Sewer Maintenance	5,000,672
TOTAL WATER & SEWER FUND APPROPRIATIONS	\$ 11,596,676
<u>Stormwater Utility Fund</u>	
Stormwater Utility	\$ 547,500
TOTAL STORMWATER UTILITY FUND APPROPRIATIONS	\$ 547,500
<u>Solid Waste Fund</u>	
Solid Waste	\$ 1,931,614
TOTAL SOLID WASTE FUND APPROPRIATIONS	\$ 1,931,614
SUBTOTAL	\$ 69,112,630
LESS INTERFUND PAYMENTS	<1,875,000>
TOTAL	\$ 67,237,630

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, 2018 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 \$20.00 per vehicle.

The tax rate is based on an estimated total valuation of property for the purpose of taxation of \$1,128,779,375 and an estimated rate of collection of 97 percent.

SECTION 4. There is hereby levied a tax at the rate of \$.085 per \$100 valuation of property listed for taxes as January 1, 2018 located within the Municipal Service Tax District.

SECTION 5. That an increase of 1 percent cost of living adjustment be established for City payroll.

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

SECTION 7. That a longevity payment be continued 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 \$25.00 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 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 Ordinances in conflict herewith are hereby repealed.

ADOPTED this the 25th day of June 2018.

Bettie J. Parker
Mayor

April Onley
Interim City Clerk