MINUTES OF MEETING OF MAYOR AND COUNCIL HELD
FISCAL YEAR 2014-2015 BUDGET WORK SESSION
MAY 15, 2014

BUDGET WORK SESSION

The Mayor and Council of the City of Goldsboro, North Carolina, called a Special Meeting on Thursday, May 15, 2014 at 10:00 a.m.to conduct a Budget Work Session in the Large Conference Room, City Hall Addition with attendance as follows:

Present: Mayor Alfonzo King, Presiding
Mayor Pro Tem Bill Broadaway
Councilmember Michael Headen (arrived at 11:49 a.m.)
Councilmember William Goodman
Councilmember Charles J. Williams, Sr.
Councilmember Chuck Allen
Councilmember Gene Aycock
Scott Stevens, City Manager
Melissa Corser, City Clerk
Randy Guthrie, Assistant City Manager
Angel Wright-Lanier, Assistant City Manager
Kaye Scott, Finance Director
Kim Dawson, Accounting Services Manager
Betsy Rosemann, Travel & Tourism Director
Karen Brashear, Public Utilities Director
Kim Best, Public Information Officer
Assistant Chief Lancaster, Fire Department
Assistant Chief Johnson, Fire Department
Faye Reeves, HR Director
Felicia Brown, Parks & Recreation
Jose Martinez, Public Works Director
Jimmy Rowe, Planning Director
LaTerrie Ward, Community Affairs Director
Marty Anderson, City Engineer
Jeff Stewart, Police Chief
Julie Metz, DGDC Director (arrived at 10:12 a.m.)
Scott Williams, IT Director (Arrived at 10:55 a.m.)
Matt Caulder, News Argus Reporter

Call to Order. Mayor King called the meeting to order at 10:04 a.m.

Budget Presentation. Mr. Scott Stevens stated it is his pleasure to offer for Council's consideration, the recommended annual budget of $54,038,688 for Fiscal Year 2014-15 for the City of Goldsboro. He stated he would turn the presentation of the proposed budget over to Ms. Kaye Scott. Ms. Scott provided handouts to Council and reviewed the following information:

TOTAL BUDGET

FISCAL YEAR 13-14 ADOPTED	FISCAL YEAR 14-15 RECOMMENDED	DIFFERENCE
$52,411,434	$54,038,688	$1,627,254

BREAKDOWN BY FUNDS

Funds	FY 13-14	FY 14-15	DIFFERENCE
General Fund	$35,056,340	$37,687,563	$2,631,223
Utility Fund	$16,384,744	$15,550,265	$ (834,479)
Downtown District Fund	$ 72,322	$ 69,775	$ (2,547)
Occupancy Tax Fund	$ 898,028	$ 731,085	$ (166,943)
Totals	$52,411,434	$54,038,688	$1,627,254

GENERAL FUND REVENUES

	FY 13-14 Adopted Budget	FY 14-15 Recommended Budget	Difference
Taxes	**$15,343,175**	**$15,612,068**	**$268,893**
Licenses & Permits	**712,300**	**796,100**	**83,800**
Privilege Licenses	*308,000*	*426,200*	*118,200*
Permits	*404,300*	*369,900*	*(34,400)*
Revenue Other Agencies	**13,685,655**	**15,794,035**	**2,108,380**
State-Collected Revenues			
Sales Tax	*6,900,000*	*6,990,000*	*90,000*
Utility Franchise Tax	*2,476,400*	*2,207,500*	*(268,900)*
Powell Bill	*981,327*	*1,004,800*	*23,473*
Transportation (NCDOT)	*480,000*	*556,792*	*76,792*
NCDOT Signal Reimbursement	*160,000*	*172,000*	*12,000*
Service Credits (UF)	*1,745,928*	*1,803,267*	*57,339*
Charges for Services	**4,512,810**	**4,581,660**	**68,850**
Refuse Service Charges	*3,250,000*	*3,270,000*	***20,000***
Parks & Recreation Fees	*53,900*	*100,000*	***46,100***
Golf Course Fees	*638,800*	*604,600*	*(34,200)*
Paramount Theatre	*120,000*	*130,000*	***10,000***
Sale of Recyclables Materials	*40,000*	*32,000*	*(8,000)*

	Adopted Budget	Recommended Budget	Difference
Capital Returns	**24,400**	**56,700**	***32,300***
Investment Earnings	*7,500*	*3,800*	*(3,700)*
Assessments	*1,500*	*600*	*(900)*
Equipment Sales	*10,000*	*50,000*	***40,000***
Cemetery Lot Sales	*5,000*	*1,800*	*(3,200)*
Miscellaneous	**778,000**	**847,000**	**69,000**
Salaries/Payroll Attrition/Health	*650,000*	*650,000*	*0*
Fund Balance Withdrawal	**67,869**	**0**	**(67,869)**
Total	**$35,056,340**	**$37,687,563**	**$2,631,223**

AD VALOREM TAXES

	Adopted FY 13-14	Recommended FY 14-15
REAL ESTATE	$ 13,551,000	$ 13,800,775
VEHICLE	$ 1,631,979	$ 1,655,093
ONE-CENT TAX EQUALS	$ 204,022	$ 207,692
COLLECTION PERCENTAGE	97.26%	97.29%
TAX RATE PER $100	$ .65	$ .65

UTILITY FUND REVENUES

	FY 13-14 Adopted Budget	FY 14-15 Recommended Budget	Difference
Charges for Services	**$15,510,800**	**$15,386,565**	**($124,235)**
Current Water Charges	*6,000,000*	*5,900,000*	*(100,000)*
Current Sewer Charges	*7,800,000*	*7,800,000*	*-0-*
Late Payment Fees	*225,000*	*225,000*	*-0-*
Service Penalty	*100,000*	*105,000*	*5,000*
Taps	*22,000*	*27,000*	*5,000*
Compost Revenue	*28,000*	*19,465*	*(8,535)*
Capital Returns	**18,600**	**17,700**	**(900)**
Investment Earnings	*10,000*	*7,500*	*(2,500)*
Assessments	*8,600*	*10,200*	*1,600*
Miscellaneous	**150,000**	**90,000**	**(60,000)**
Fund Balance Withdrawal	**705,344**	**-0-**	**(705,344)**
Total	**$16,384,744**	**$15,550,265**	**($834,479)**

UTILITY & REFUSE RATES

	CURRENT	PROPOSED
WATER RATES (No Increase)		
(Per CCF) (Residential/Commercial)	$ 2.10	$ 2.10
Base Fee Increase (No Increase)	$12.14	$12.14

SEWER RATES (No Increase)		
(Per CCF) (Residential/Commercial)	$ 4.60	$ 4.60
REFUSE RATES		
Residential	$ 22.00	$ 22.00
Commercial (Dumpster)	$ 5.50/Cubic Yd.	$ 5.50/Cubic Yd.
Commercial (Roll-Out Containers)	$40.50	$40.50
(Additional Cart)	$15.00	$15.00
Reconnection Fee	$10.00	$10.00

USER FEES SELF-SUFFICIENCY

Revenues/Expenditures/Debt	FY 14-15	Amount Over/Under	FY13-14	FY 12-13
Water	110.99%	663,010	114.49%	116.73%
Water Reclamation	93.21%	(642,014)	88.20%	91.44%
Refuse	106.77%	207,484	108.68%	104.15%
Golf Course	73.21%	(221,222)	72.68%	59.51%
Paramount (Debt Svc – Occupancy tax)	34.45%	(247,368)	37.00%	39.71%
Paramount (Debt Svc – GF)	16.18%	(673,353)	15.71%	15.89%

Ms. Scott pointed out there is no proposed fund balance withdrawal from the General Fund or Utility fund.

AGENCY DONATIONS

Fund/Code	Agency	FY 13-14 Allocation	FY 14-15 Requested Amount	FY 14-15 Recommended Amount
General Fund	Chamber of Commerce	15,000.00	20,000.00	15,000.00
	Wayne County Alliance	75,000.00	75,000.00	75,000.00
	Literacy Connections	12,000.00	-	5,000.00
	Butterball Economic Incentive	-	17,500.00	17,500.00
	Boys & Girls Club	-	15,000.00	-
	Arts Council	25,000.00	30,000.00	25,000.00
	WAGES	-	25,000.00	-
	W.A.T.C.H.	20,000.00	40,000.00	20,000.00
	Museum	12,000.00	22,000.00	12,000.00
	Project Uplift	5,000.00	40,000.00	5,000.00
	Communities in Schools	15,000.00	25,000.00	15,000.00
	Goldsboro/Wayne Transportation	200,740.00	466,340.00	248,240.00
Occupancy Tax	Waynesborough Park	30,000.00	35,000.00	30,000.00
Community Development	Boys & Girls Club	18,837.00	20,000.00	13,182.00
	Literacy Connections	-	12,500.00	7,000.00
	Totals	$ 428,577.00	$ 843,340.00	$ 487,922.00

Council discussed agency funding. Mr. Stevens expressed concern that if Council funded more agencies, additional requests could be received. Councilmember Allen asked if Community Development funding could be increased and Mr. Guthrie replied Community Development funding is capped at a percentage of the funding received.

DEBT PAYMENTS AND BALANCES
FY 2014-15

	Principal/Interest Payment	Outstanding Balance (7-1-13)
Sanitary Sewer Bonds	$ 2,275,216	15,399,319
Water Bonds	48,240	46,385
Street Bonds	453,501	3,754,297
State Revolving Loan Program - Water	160,950	300,000
State Revolving Loan Program – Water Plant	634,246	8,842,180
State Revolving Loan ($15M)	1,102,000	4,000,000
State Revolving Loan ($3.3M)	241,082	874,437
AMR System	140,592	762,006
City Hall Annex	350,143	1,618,239
City Hall – Phase II	387,426	2,099,849
Capital Equipment Loan	363,002	1,463,698
Streetscape Project	116,632	632,145

Paramount Theatre	425,985	2,850,000
IT Leases	224,459	735,521
Total Debt	$6,923,474	$43,378,076

FY 2014-15 Debt Service Payments		Debt Balances
General Fund	$1,863,505	$13,153,749
Utility Fund	4,633,984	30,224,327
Occupancy Tax Fund	425,985	
Total	$6,923,474	$43,378,076

POSSIBLE NEW DEBT SERVICE

FY 2015-16

- Equipment Loan $1,943,000

  (4) Fully-Automated Garbage Trucks and Garbage/Recycling Containers $1,240,000
  (1) Fire Pumper 500,000
  (1) Street Sweeper 203,000
  Total $1,943,000

  10 year loan
  3% Estimated Interest Rate
  Loan Payment – General Fund

- Tiger V Match (Streetscape/Transfer Station) $4,500,000

  20 year loan
  3.34% Interest Rate
  Loan Payment – General Fund

FY 2014-15

- Settlement Loan $1,700,000

  10 year loan
  2.5% Interest Rate
  Loan Payment – General Fund

- W.A. Foster Center ($4M to $6M) $6,000,000

  15 year loan
  2.5% Interest Rate
  Loan Payment divided between CD and General Funds

FY 2015-16

- Police Dept. Expansion/Bldg. Improvements $3,500,000

  15 year loan
  2.5% Interest Rate
  Loan Payment – General Fund

Possible New Debt Service

Fiscal Year	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Current Debt Service Payments	2,508,313	2,288,536	2,226,590	2,093,283	1,768,885	1,609,425	1,300,575
Equipment Loan ($1.9M)			227,000	227,000	227,000	227,000	227,000
Anticipated Min. Personnel Savings			(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Tiger V Grant Match $4M/$1.7M Settlement Loan	0	284,675	569,350	569,350	569,350	569,350	569,350
Police Renovations ($3.5M)	0	0	251,300	251,300	251,300	251,300	251,300
Paramount Debt Payments (Occupancy Tax until FY 17-18)	(429,605)	(425,985)	(412,365)	(398,745)	0	0	0
W.A. Foster ($4M - $6M)	-	-	421,884	415,790	409,696	403,601	397,507
CD Funding			(421,884)	(415,790)	(178,926)	(150,000)	(150,000)
New Debt Service Payments	2,078,708	2,147,226	2,661,875	2,542,188	2,847,305	2,710,676	2,395,732

Council discussed whether to keep or sale one of the street sweepers currently owned. Mr. Stevens stated staff would like additional time to evaluate down time for the sweeper.

Councilmember Aycock and Councilmember Broadaway expressed concerns on implementing a fully-automated trash pickup. Mr. Stevens provided information regarding potential benefits of going to an automated truck such as safety concerns for employees who ride on the back of the trash trucks. Councilmember Allen asked if it would be possible to try one of the fully-automated trucks out for a week or two. Mr. Stevens stated staff will do some research.

Councilmember Williams asked if there was a way to improve grass cutting at the curb. Mr. Stevens shared property owners should be maintaining their property out to the street. Councilmember Williams shared grass needs cutting at various locations down Slocumb Street where there are no houses. Mr. Stevens shared he would ask Code Enforcement to take a look.

Council discussed debt and when some of the debt would be retired.

POSITIONS

NEW POSITIONS – RECOMMENDED

GENERAL FUND:

Police Department (Full-Time)

Asst. Training Specialist (Grade 75) $55,552

City Manager Office

Military Liaison (Part-Time) $53,825

Paramount Theater

Box Office Staff (Part-Time) $ 9,740

AUTHORIZED POSITIONS

Fiscal Year	Public Safety	Non-Public Safety	Total	Utility Fund	Occupancy Fund	Total
2008-09	198	222	420	60		480
2009-10	197	219	416	60		476
2010-11	197	219	416	60		476
2011-12	197	221	418	60		478
2012-13	194	210	404	61	2	467
2013-14	199	181	380	59	2	441
2014-15	201	182	383	59	2	444

EMPLOYEE BENEFITS

SALARY/BENEFIT COSTS

	General Fund	Utility Fund	Occupancy Fund	Total
Salaries	17,260,260	2,477,277	88,484	19,826,021
Social Security	1,337,098	189,512	6,769	1,533,379
Retirement	1,215,168	175,144	6,256	1,396,568
Health Insurance	2,975,923	456,259	15,321	3,447,503
401(K)	539,530	61,932	2,212	603,674
Bonus	91,798	15,977	542	108,317
Total	**$23,419,777**	**$3,376,101**	**$119,584**	**$26,915,462**

Notes:
Average Salary $42,670/per position

Benefits Average Cost $15,013/per position

SALARY ADJUSTMENT/BENEFITS

- Salary Adjustments
  $200 Merit/Bonus (December 2014) $108,316

- 401(K) Contribution
  (Non-Sworn Employees (2%) to (3%) Effective January 1, 2015)
  Non-Sworn Employees $364,365
  Sworn Employees $239,309

- Retirement Rates: FY 2013-14 FY 2014-15
  General Employees 7.07% 7.07%
  Law Enforcement Employees 7.28% 7.65%

  Employer Contribution Increase: $ 30,009

- Health Insurance:
  Employer Increase (Subsidy - $100,000) $ 65,436

DEPARTMENTAL REQUESTS

GENERAL FUND EXPENDITURES

- Mayor/Council ($488,513)
  City Attorney Fees (Increase $135/hr.) $175,000
  Consultant Fees (Friends of Seymour) 143,000

- City Manager ($1,340,114)
  Communication and Marketing $ 20,000
  Contract Services (Landscaping/Maint. contracts) 38,100

- Human Resources ($562,205)
  Health Maintenance Program $ 82,000
  Employee Appreciation Day/Event 5,000
- Community Affairs ($224,812)
  School of Government $ 2,300

- Paramount Theatre ($377,368)
  Performance Series (# of Performances increase) $ 54,500

- Inspections ($667,295)
  Demolition $ 95,000
  House Securement 5,000

- DGDC ($290,803)
  Downtown Projects (Property Repairs) $ 10,000

- Information Technology ($974,452)
  Software License Fees $330,000

- Public Works – Admin. ($380,133)
  Consultant Fees (Beaver Control) $ 3,600
  Clean and Cut Lots 17,878

- Garage ($2,269,224)
  Gasoline $660,000
  Diesel Fuel 485,000
  Consultant Fees (Contaminated UST Site) 15,600

- Building & Traffic ($478,112)
  Transfer Signal Operations to Engineering ($167,490)
  (2 positions and operational costs)

- Cemetery ($292,589)

- Finance ($1,182,055)

Tax Listing Fees	$258,000
Consultant Fees	47,600
Audit (General Fund Portion)	23,700

- Planning ($1,553,431)

Clean and Cut Lots	$ 40,000
Home Program Match (Required 12.5% Match for HOME Program)	23,386
Transportation Planning (80% NCDOT Reimb.)	695,990

- Streets & Storms ($1,532,530)

Street Sweeper	$ 203,000
Sidewalk/Street Repairs	45,000

- Streets & Storms - Utilities ($634,200)

Street Lights	$ 600,000

- Street Paving ($575,000) 575,000

- Sanitation ($4,152,477)

Landfill Charges ($30/Ton)	$ 362,000
(4) Fully Automated Garbage Trucks	1,040,000
Replacement Garbage/Recycling Containers	200,000

- Engineering ($772,220)

Transfer Signal Operations (2 positions and operational costs)	$ 167,490

- Fire Department ($6,056,572)

Medical Exams	$ 23,000
Fire Pumper	500,000
Extrication Equipment Update	26,132

- Police Department ($8,431,991)

Line Cars (5 Replacements)	$ 168,696

- Animal Control ($61,619)

- Special Expense ($2,990,918)

Agency Donations (See Chart)	$ 437,740

- Parks & Recreation ($2,162,108)

Sidewalks (Various Parks)	$ 15,000
Playground Surface	15,000

- Golf Course ($825,822)

Pro-Shop Expense	$ 90,000
Pro-Shop Revenue offset ($90,000)	
Advertising	10,000

UTILITY FUND EXPENDITURES

Distribution and Collections Division ($2,643,948)

Water Meters & Boxes	$ 190,000

Water Treatment Plant ($4,710,416)

Chemicals	$ 650,000
Consultant Fees (Sedimentation Basins Enhancement)	376,000
Neuse River Dredging	79,000

Water Reclamation Facility ($7,534,254)

Chemicals	$ 97,000

Utility Fund (Capital) ($61,596)

Salary Reserve	$ 56,596

Compost Facility ($600,051)

Equipment Fuel	$ 43,000

VEHICLES AND CAPITAL OUTLAY

General Fund Vehicles/Equipment – Requested/Recommended

		Requested	Recommended
Human Resources	Administrative Vehicle	20,000	-
Information Technology	Administrative Vehicle	23,000	-
Cemetery	Crew Cab Pickup w/Dump Body	45,000	-
Planning	Administrative Vehicle	20,000	-
Streets & Storms	Salt Spreader	48,525	-
	Ventrax Mower	32,000	-
	Street Sweeper	203,000	203,000
Sanitation	Fully-Automated Garbage Truck	1,040,000	1,040,000
Fire	Administrative Vehicle	27,000	-
	Mowers	11,000	5,500
	Fire Pumper	495,000	500,000
	Brush Truck	100,000	-
Police	Administrative Vehicle	42,638	-
	Line Cars	278,198	139,098
Parks & Rec.	Admin. Vehicle	19,000	-
	PickUp Truck	58,000	-
	Mower	11,000	-
	Enclosed Cargo Trailer	7,000	-
	Trailer - 20' Dove Tail	7,500	-
	Dump Truck	94,000	-
	(25) Passenger Van	128,000	-
	Skid Steer	75,000	-
Golf Course	Backhoe	48,779	-
	Utility Vehicle	23,000	-
	Totals	***$ 2,856,640***	***$ 1,887,598***

Utility Fund Vehicles/Equipment – Requested/Recommended

		Requested	Recommended
Maintenance	Backhoe	105,000	105,000
	Utility Vehicle	40,000	30,000
Water Plant	Pick-Up Truck	18,000	18,000
Waste Treatment	Riding Mower	17,100	17,100
	Golf Carts	17,507	-
Compost Plant	Compact Pick-Up Truck	18,000	18,000
	Riding Mower	14,000	-
	Totals	***$ 229,607***	***$ 188,100***

General Fund Capital Outlay Projects – Requested/Recommended

		Requested	Recommended
Information Technology	Software Expense (Security Access Control)	15,500	-
	Technology Capital (Laptop Replacements)	15,000	10,000
	Technology Capital (Security Historic City Hall)	5,500	-
	Technology Capital (Security System-Paramount)	5,600	-
	Fiber Switches	10,500	-
	Network Server	92,000	-
	Disaster Recovery Server	20,000	-
Public Works - Admin.	Desks	5,000	-
	Lobby Seating	5,000	-
Garage	Power Lifts	22,000	-
Building & Traffic	Gas Pack A/C Unit	8,000	-
Streets & Storms	Mortar Mixer	6,400	-
	Storm Drainage Improvements	5,000	5,000
Streets & Storms - Utilities	Railroad Signals	10,000	10,000

		Requested	Recommended
Street Paving	Non-Petitioned Storm Drainage Impr. (Virginia)	100,000	-
Fire	Fire Hose	6,070	4,110
	Air Packs	35,430	30,680
	Thermal Imaging Camera	11,000	-
	Turn-Out Gear Washer	8,000	-
Police	Digital Shield	13,934	-
	Repave Parking Lot	91,635	-
	Field Base Reporting & Maintenance	250,000	-
	Ocean Systems	7,499	-
	Repair Heating & Air System	237,469	-
Special Expenses	Annexation Costs	40,000	37,500

		Requested	Recommended
Parks & Rec.	Water Slide - Mina Weil Park	35,000	-
	Water Slide - Peacock Park	45,000	-
	Park Security Gates	32,000	-
	Park House Restoration	135,000	-
	Repave Parking Lots - Berkeley	250,000	-
	Repave Parking Lot - Fairview	175,000	-
	Playground Play Surface	36,000	15,000
	Shuffle Board - HPC	24,000	-
	Lighting Berkeley Park Volleyball & Basketball	25,000	-
	Skate Park Pad & Parking	50,000	-
	Harris Street Spray-Ground	225,000	-
	Pipe Ditch - Herman Park	25,000	-
	Park Signage	50,000	-
	Basketball Court Resurfacing - North End	50,000	-
	HVAC - W.A. Foster	7,500	-
	HVAC - Herman Park Center	15,000	-
	Restroom Replacement - Berkeley Park	95,000	-
	Picnic Shelter - Herman Park	35,000	-
	Concrete for Sidewalks - Parks	150,000	15,000
	Restroom Replacement - H.V. Brown Park	95,000	-

		Requested	Recommended
Golf Course	Core Harvester	5,500	-
	Repave Parking Lot	35,000	-
	Concrete Pads at Maintenance Shop	5,000	-
	Greens Aerator	23,000	-
	HVAC Replacement - Pro Shop	7,000	-
	Totals	$ 2,656,537	$ 127,290

Councilmember Broadaway asked if staff had performed additional testing for arsenic testing. Ms. Brashear replied staff had performed some extra testing and they have not seen an impact on the water quality.

Councilmember Aycock shared on a tour of the compost facility he had seen some compost piled up. Ms. Brashear stated compost sells were slow following the recession but sales seem to be picking up this year.

Council took a break at 11:16 a.m.

Council resumed the meeting at 11:28 a.m.

Utility Fund
Capital Outlay Projects – Requested/Recommended

		Requested	Recommended
Maintenance	Mapping City Water System	28,100	28,100
	Pipe Inspection Camera	300,000	120,000
	Manhole Rehabilitation	346,000	346,000
	Water Improvements	15,000	-
Water Plant	Trac-Vac Sludge Removal System Project	1,592,000	-
	Corps Flood Control Structure Repair	390,300	-
	Camera & Card Reader System	12,000	12,000
	Fiber to Public Utitilites Buildings	230,000	-
	Miscellaneous Equipment (Autoclave)	13,000	13,000
	Upgrade SCADA PLC	40,000	40,000
	Caustic Feed Pump	38,000	-
	Exterior Lighting Waste & Sedimentation Basins	25,000	-
	Sedimentation Basins Enhancement Project	2,487,000	-
	Hypo #6 Bulk Tank	86,000	86,000
	Disaster Recovery Server	-	20,000

		Requested	Recommended
Waste Treatment	Stream Bank Stabilization Project	379,400	2,300
	Miscellaneous Equipment (Wastewater Sampler)	6,400	6,400
	Upgrade SCADA PLC	13,000	13,000
	Collection System Upgrade SCADA PLC	65,000	65,000
	Portable Open Canopy Trailer Mounted Pump	36,000	-
Utility Fund - Capital	Petitioned Sanitary Sewer Improvements (East Ash Street to 128 N. Oak Forest Rd.)	50,000	-
	Petitioned Sanitary Sewer Improvements (103 Courtney Rd to Bayleaf Drive)	65,000	-
	Petitioned Sanitary Sewer Improvements (1750 US 117 South to 1416 US 117 South)	75,000	-
	Petitioned Sanitary Sewer Improvements (N. Marion Drive to Maplewood Drive)	75,000	-
	Petitioned Sanitary Sewer Improvements (Amherst Road to Terminus)	60,000	-
	Petitioned Water Improvements (Branch St from Vann St. to Truman St)	25,000	-

		Requested	Recommended
Utility Fund - Capital	City-Wide Infiltration Study	2,500,000	2,500,000
	8" Sanitary Sewer Line - WMD - Walmart	60,000	60,000
	Stoney Creek Sanitary Sewer Outfall Rehab	3,400,000	3,400,000
	Berkeley Blvd Sanitary Sewer Relocation	563,000	563,000
	Ash Street Water Line Improvements	210,000	-
	8" Fire Line Parking Lot West Side of Center	100,000	-
Compost	Misc. Equipment (Agitator Electric Motor)	5,000	5,000
	High Security Steel Storage Unit	8,000	-
Totals:	Utility Fund	$ 13,298,200	$ 410,800
	Possible Grant Funding		$ 3,400,000
	Sewer Bonds		$ 3,469,000

Ms. Scott noted the City has a credit with Hazen and Sawyer that will assist with paying for the stream bank stabilization project.

Councilmember Aycock inquired about petitioned sanitary sewer improvements. Mr. Anderson shared information on how citizens may petition the City for improvements and also shared information regarding the assessment process.

Capital Requests/Recommended
FY 2014-15

	FY 2013-14	FY 2014-15	Difference
Vehicles/Rolling Stock			
General Fund			
Requests	$1,782,405	$2,856,640	$1,074,235
Recommended	272,245	1,887,598	1,615,353
Utility Fund			
Requests	$ 903,900	$ 229,607	($ 674,293)
Recommended	713,400	188,100	($ 525,300)
Capital Equipment/Projects			
General Fund			
Requests	$5,071,769	$2,656,537	($2,415,232)
Recommended	645,050	127,290	(517,760)
Utility Fund			
Requests	$6,432,495	$13,298,200	$6,865,705
Recommended	4,513,245	3,879,800	(633,445)
		3,400,000	3,400,000 (Possible Grant)

DGDC Funds

	FY 13-14 Budgeted	FY 14-15 Recommended
Revenues:		
Taxes	$72,222	$69,675

Investment Earnings	100	100
Total	$72,322	$69,775
Expenditures:	$72,322	$69,775

*Facade Grant and Rent Incentive Program - $19,200 – 28% of Budget

* *Municipal Service District Rate: 23.5 cents per $100 of valuation

Occupancy Tax Fund

		FY 13-14 Budgeted	FY 14-15 Recommended
Distribution of Occupancy Tax Revenues			
50% Civic Center		$275,000	$275,000
50% Travel & Tourism		275,000	275,000
Investment Earnings		1,200	600
Totals		$551,200	$550,600
Fund Balance Withdrawal		$346,828	$180,485
Totals		$898,028	$731,085
Expenditures:			
Civic Center Programs		$589,605	$455,985
Paramount Theater (Debt Service)	$425,985		
Wayneborough Park Visitor Center	30,000		
Travel & Tourism		308,423	275,100
Operations and Marketing			
Totals		$898,028	$731,085

* Current levy is 5% for local hotel and motel occupancy

Fund Balances

As the following chart shows, $180,485 of the recommended budget will be financed through the City's fund reserves. The amount is $871,687 less than last year. In order to maintain an adequate fund balance, any increased expenditure must be accompanied by either new sources of additional revenue or a reduction of existing appropriations. Failure to act along these lines could result in reduced service levels in the future. The following chart describes the City's fund balances:

	Beginning Balance (Audit) FY 2013-14	Projected Ending Balance FY 2013-14	Appropriations FY 2014-15	Revised Beginning Balance FY 2014-15
General Fund	$ 4,710,346	$ 4,799,359	$ -	$ 4,799,359
Utility Fund	7,881,304	4,306,275	0	4,306,275
Downtown District	80,874	69,643	0	69,643
Occupancy Tax Fund				-
Civic Center	956,515	148,754	180,485	(31,731)
Travel & Tourism	119,801	7,401	0	7,401
Total	**$ 13,748,840**	**$ 9,331,432**	**$ 180,485**	**$ 9,150,947**

Summary FY 2014-15 Budget

Category	General	Utility	DGDC	Occupancy Tax	Total
Salary/Benefits	$ 23,419,777	$ 3,376,101		$ 119,584	$ 26,915,462
Operational Costs	$ 10,389,393	$ 6,941,280	$ 69,775	$ 185,516	$ 17,585,964
Debt Service	$ 1,863,505	$ 4,633,984		$ 425,985	$ 6,923,474
Vehicle/Capital Outlay	$ 2,014,888	$ 598,900			$ 2,613,788
Totals	**$ 37,687,563**	**$ 15,550,265**	**$ 69,775**	**$ 731,085**	**$ 54,038,688**

Additional discussion included the following:

- Ms. Scott shared staff is working with Duke Progress on the potential to convert street lights over to LED which could result in a possible savings of $130,000.
- Councilmember Aycock asked how the closing on the property at the corner of Ash Street and Spence Avenue was going. Mr. Stevens shared they are working on a deed restriction and hoped to close shortly after July 1st.
- Councilmember Williams asked for an update on merit and longevity. Mr. Stevens stated the Employees Benefit Committee has debated longevity and 401 (k) contributions. The City is funding a 401 (k) contribution currently at 2% with a proposed increase to 3% in January. Mr. Stevens also shared included in the proposed budget is a merit bonus in December.
- Council also discussed golf course fees. Members shared they have received some complaints from citizens that county residents receive the same rate as city residents. Mr. Stevens stated fees are the same at this time, it could be different but cautioned it could be challenging to enforce. Council asked to staff to track how many city residents and county residents use the course for a month or so.

Mayor King thanked Ms. Scott and staff for their hard work on the budget. He stated he is glad to know she is our Finance Director.

Ms. Scott stated she has a great staff.

Mayor King stated we do have the best staff across the board.

As there was no further business, the meeting was adjourned at 12:00 p.m.

Alfonzo King
Mayor

Melissa Corser, CMC
City Clerk