

## COUNCIL MINUTES

## SPECIAL WORKSHOP MEETING

April 14, 2015

A special workshop meeting of the City Council of the City of Jacksonville was held Tuesday, April 14, 2015 beginning at 4:00 PM in Meeting Rooms A and B of Jacksonville City Hall. Present were: Mayor Sammy Phillips presiding; Mayor Pro-Tem Michael Lazzara and Council Members: Jerry Bittner, Randy Thomas, Bob Warden, and Angelia Washington. Councilman Jerome Willingham was absent. Also present were: Richard Woodruff, City Manager; Ronald Massey, Deputy City Manager; Gayle Maides, Finance Director; Glenn Hargett, Assistant Manager for Communications and Community Affairs; Wally Hansen, Public Services Director; Mike Yaniero, Director of Public Safety; Susan Baptist, Director of Recreation Services; Michael Liquori, Director of Park Facilities; Carmen Miracle, City Clerk; and John Carter, City Attorney.

\*A video recording of the Council Meeting is presently available for review on the City's website.

CALL TO ORDER

Mayor Sammy Phillips called the meeting to order at 4:03 PM.

ADOPTION OF AGENDA

A motion was made by Mayor Pro-Tem Lazzara, seconded by Councilman Warden, and unanimously approved to adopt the agenda as presented.

BUDGET NOTES

Mr. Woodruff reviewed the budget follow up notes from the meeting held on April 7, 2015 a copy of which is herein attached as Exhibit A.

DEPARTMENT BUDGETS

Using the PowerPoint presentation attached to the official minutes as Exhibit B, the following budgets were reviewed.

Community Programs: Mr. Woodruff reported that there was a reduction in this budget due to transferring responsibility for the Youth Center to the Recreation and Parks budget. The Youth Center had been budgeted in Community Programs for many years. Last year, Council provided funds for substantial improvements to air conditioning, flooring and the general

condition of the facility. The transfer to Recreation allowed the facility to be rented like any other City facilities.

Tourism: This budget was funded by the Occupancy Tax which must be collected and expended per a formula established by State legislation. The formula stated that one third may be expended on capital projects and two thirds on public relations and marketing. Mr. Woodruff said staff estimated revenue for the coming fiscal year of \$900,000, which was based on current collections. Mayor Pro-Tem Lazzara serves as the Chairman of the Tourism Development Authority (TDA).

Mayor Phillips asked how much of the one third allocated for capital projects was obligated. Mayor Pro-Tem Lazzara said he thought it was approximately 85%, mostly for projects such as the Freedom Fountain, Vietnam Veterans Memorial, and Sturgeon City.

Councilman Bittner said he would like information on the impact if the formula was reversed. Councilman Warden asked about the status of the legislation to change the formula. Mayor Pro-Tem Lazzara said that it had been approved by the Senate and was now in the House.

Human Resources: Mr. Woodruff commended the HR Staff for their work in identifying efficiencies. One of those was going out to bid for various insurance services such as life and supplemental health. The low bidder, Guardian, would also be providing the Employee Assistance Program as part of their package, resulting in a savings of \$10,000 annually.

A brief discussion was held on rising healthcare costs. Mr. Woodruff stated that the actuarial indicated an 8 percent increase; however, there was no recommendation to pass an increase on to employees this year. Any increase in costs would be funded out of their healthcare fund. The healthcare fund was approximately \$1 million and was a combination of City and employee funds. Councilman Warden asked about the impact on the City budget by the Affordable Healthcare Act. Mr. Woodruff said it was \$63,000 this year. In addition, he reported that the HR Staff and Finance were part of a Study Team who would be looking at optional approaches to providing healthcare. This information would be brought back for future discussion with Council.

City Clerk: The Administrative I Position had left City employment about nine months previously. Workload was reassigned and it was decided not to refill the position resulting in a reduction in the budget.

Finance: Mr. Woodruff said that the 84.6% increase in Taxes and Other General Fund Revenues is due to the loss of \$750,000 in Business License Revenue. The expenditure line

reflected a reduction of one employee due to no longer needing a person to handle Business Licenses. The employee previously in the position was retrained and had qualified for another opening in Finance.

Councilman Bittner noted that it seemed that one of the benefits of the Business License Office to the community was to be able to track interim peddlers. Mr. Woodruff responded that one of the decision packages they would discuss at a future meeting was a section in the law that allowed the City to require registration of businesses. It was possible the associated registration fee could generate \$40,000 top \$50,000. Mayor Pro-Tem Lazzara stated that New Bern had implemented this fee, which was a \$20 mandatory registration fee for all businesses. Mayor Phillips said he believed this statute had been implemented to assist Police and Fire to maintain an up to date database for emergency response.

Metering: Mr. Woodruff said this budget reflected a reduction in personnel from six to five and due to the economic slowdown; the projected revenue was reduced accordingly.

Fleet Maintenance: This Division is an Internal Service division. The revenue source was charges made to other departments within the City for services rendered. The budget reflected a small fund balance that helped safeguard against any unanticipated needs that might come up during the year. In some years the fund was negative and in other years positive. Councilman Bittner clarified that this fund was created by overcharges to the departments served. Mr. Massey said that was correct. Mr. Woodruff said he would provide a budget note on the actual balance in the Fleet fund.

Non Departmental: This account captured all general fund activity not specific to any other department. Mr. Woodruff said this is the account where the contingency fund is housed as well as workers compensation fees, 800 Mhz, EDC and Nonprofit contributions, etc. In addition, this account contained the capital reserve for the \$4 million bond issue for the Sturgeon City Environmental Education project. The TDA had pledged \$150,000 per year to this project and the Sturgeon City Board pledged \$75,000 per year toward debt reduction. The most recent opinion of probable cost for the project was \$700,000 above currently available funds. If the project moved forward it would need additional funding, which was currently not available unless Council used funds from their four cent Initiatives. He said that after they received the bids they would come back to Council for further direction.

Police: Mr. Woodruff reviewed revenues in terms of fees (burglar alarms, taxi permits, wrecker rotation, etc) and pointed out that one misconception is that traffic ticket fees are

received by the City. Chief Yaniero agreed and stated those fees as well as seized vehicle monies, fines, and forfeitures, were received by the School system.

In terms of grants, Mr. Woodruff pointed out the School Resource Officer Funding, which was not paid by City taxpayers, but by the School system. Likewise, the E-911 funds were generated from a surcharge on telephones.

In terms of expenditures, Chief Yaniero said this year they had to absorb a \$75,000 loss in revenue due to the Attorney General's recent decision to change the way that drug asset forfeiture proceeds would be disseminated. In addition, the US Secret Service had contacted the City about the possibility of four to five visits from presidential candidates for the upcoming election. These visits would require City police support to assist with security logistics and cost the City approximately \$50,000, which was not reimbursed by the federal government.

Chief Yaniero also reported that this budget included some additional funding to start the process of body cameras for Police Officers. Officers already carried taser cameras as well as in-car cameras. A brief discussion was held on the technical aspects of control as well as integration of the body cameras with in car cameras.

In response to a question from Mayor Pro-Tem Lazzara, Chief Yaniero said the additional cameras were a necessary tool that added more security and an additional level of protection. Mr. Woodruff added that Chief Yaniero had been part of a large group of Chiefs around the State currently looking at training and use of force. The City wanted to make sure that our protocol and training were the latest and best. He said that while the nation had been experiencing these tragedies, the City had taken proactive steps to determine what we could do to prepare our personnel for when they encountered dangerous or volatile situations. Chief Yaniero added that the officers were also participating in a new model of teaching, including diversity training, and fair and impartial policing.

Mr. Woodruff reported that last week the City was notified of an award of a Governors Crime Commission Grant for Crisis Intervention. Consideration of acceptance of the grant would be an item for Council consideration at the April 21 Regular Council meeting. The grant was for two years to add a staff member for crisis intervention counseling. The grant did not require that the position remain on staff after the grant ended. The grant required a local match but it could be provided as in-kind services such as for equipment, office space, etc. Chief Yaniero added that if the grant were accepted, the goal would be to see reductions in domestic violence and child abuse as well as a decrease in the homeless population.

Fire and Emergency Services: Mr. Woodruff stated this was a service-oriented department providing emergency and medical services and fire response. Overall, the budget had decreased due to the purchase last year of self-contained breathing apparatus packs.

Councilman Warden asked about the part time positions. Chief Spencer Lee responded that one was a part time fire equipment technician and the other two were firefighters.

Parks and Recreation: Mr. Woodruff reported that this budget included the grant for the final phase of the Lejeune Rails to Trails and revenues for the afterschool program, which Council had asked them to make self-funding. Ms. Susan Baptist, Director of Recreation Services, reported that the program was currently self-funding. To date over 326 children were being served in after school programs in every elementary school in the City including the newly added Bell Fork Elementary School. This budget also reflected the addition of the Youth Center expense, which had been moved from Community Programs budget. The Center was now being rented like other recreation facilities, which allowed the City to recoup some of its investment on the improvements they had made to the building.

Mr. Woodruff noted that salaries and benefits decreased due to the decision not to fill the Director position. Currently two top staff had been promoted to Co-Direct the Department and were doing an excellent job. Ms. Baptist served as Recreation Programs Director and Mr. Michael Liquori served as Parks Director. Regarding personnel, Mr. Woodruff said that currently there were 5 temp employees who worked 40 hours year round that were requested to be added as full time personnel. Mayor Pro-Tem Lazzara commended the decision to appoint Ms. Baptist and Mr. Liquori as Co-Directors. He thought they were doing an amazing job and he had received many compliments on their Recreation programs and on the Parks.

Planning Administration – Planning and Permitting: Mr. Woodruff said that the budget decreased as a result of two employees retiring. Duties were realigned and the positions would not be refilled.

Building Inspections: Mr. Woodruff said as previously reported the forecast for single family homes not being a strong part of our economy was correct and should remain the same for the next several years.

Code Enforcement: Mr. Woodruff said that with the current economy they were still seeing foreclosures and the need for nuisance abatement such as high grass. If the City ultimately had to correct the problem, the work was contracted out and the cost of the work plus administrative fees became a tax lien on the property.

Community Development: Mr. Woodruff reported that the Community Development Block Grant funds continued to decrease. However, programs in the form of low interest loans were currently generating roughly \$170,000 a year back to the City. Mr. Woodruff gave a general overview of an idea for a new program as an outgrowth of the Summit that Council held with their Advisory Committee members in December. Council and the Committee's had agreed they would both like to see the City focus more on older neighborhoods. The program would be called Livable Neighborhoods and its mission would be to work with some of the older neighborhoods to help find common solutions to problems.

Mayor Pro-Tem Lazzara stated that at a recent Housing Finance Commission meeting in Raleigh, Ms. Gray's Community Development projects were a topic of discussion and an example of the great work being done in Jacksonville. He commended Lillie and her team for their efforts in the community.

ADJOURNMENT

A motion was made by Councilman Bittner, seconded by Councilman Thomas, and unanimously adopted to adjourn the meeting at 6:31 PM.

Adopted by the Jacksonville City Council in regular session this 5th day of May, 2015.

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Sammy Phillips, Mayor

ATTEST:

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Carmen K. Miracle, City Clerk

**FY16 PROPOSED BUDGET**  
**April 7 Workshop Follow-Up**

**Note 1** – Finance – Investment earnings page 10 – Please prepared an analysis that shows investment earnings over the last three fiscal years and explain why there is a significant reduction projected for FY16

**Response 1:** The investment earnings for FY12 through FY15 estimates are shown below:

Year	Budget	Actual
2012	82,274	60,704
2013	38,724	68,836
2014	76,320	47,598
2015	70,000	19,835 *
2016	19,835	

\*Full Year Estimate for FY15

Actual investment earnings over this period have decreased dramatically due in part to the decline in interest rates and in part to a strategy of staying liquid in anticipation of rising rates. Prior year budgets have been based on the anticipation of rising rates. The budget for FY16 is more conservative and based on current interest rates.

**Note 2** – Finance – General Fund balance – Please provide additional explanation regarding the use of General Fund Balance for FY16 and compare that to utilization over the last several years.

**Response 2:** The General Fund balance appropriation is less in FY16 than it has been in the last six years. During this period, the amount of fund balance appropriated ranged from \$2.0 million to \$5.2 million. The FY16 year projection is \$1.9 million. The "actual" column below shows the audited figures at the end of each fiscal year and a projection for FY15 (\*).

Fiscal Year	Fund Balance Appropriated	Actual Change
2010	3,487,709	1,668,506
2011	2,407,417	906,217
2012	4,112,384	(101,841)
2013	2,611,336	1,263,078
2014	5,228,768	(998,157)
2015	2,002,776	*(1,200,000)
2016	1,947,716	

**Note 3** – Media – Finance – Council Budget page 24. Fee paid by Onslow County for production – Please provide information which compares the FY15 and FY16 budget relative to the fees received from Onslow County for the production of their public meetings and other County productions.

**Response 3:** The anticipated revenue from Onslow County for Media Services for FY15 is \$82,000. The FY16 proposed budget includes anticipated fees of \$75,000 from the County, which represents the contribution of the County to the base operation of the shared Government Channel. Actual receipts from the County have ranged from \$73,387.50 to \$95,587.50 over the last several years.

The FY16 base budget for Media Services reflects an increase in the depreciation expense which increased by \$77,000. The draft FY16 budget represents a net increase to the Media budget of approximately \$51,000. Media Services is replacing nonfunctioning and outdated equipment in FY16.

**Note 4** – Transportation Planning and Finance – page 45 – Determine whether we have “double budgeted” the \$60,000 figure given the fact that staff time will be used to conduct the work?

**Response 4:** This was inadvertently included in the budget in both the operations and the related project budget. The project budget will be eliminated in the final version of the FY16 budget. This adjustment will decrease the amount of appropriated fund balance from the General Fund.

**Note 5** – Transit – page 53 – Transit projects – Further explain the individual annual transit projects and provide a general overview of at least one year of transit funding.

**Response 5:** For transit grant purposes, the term “project” refers to a grant year and an amount of funds, not a capital project such as the construction of a bus shelter. Transit grant funds appropriated to the City are eligible to support costs associated with operations, maintenance, planning and capital investment (buses, shelters, technology, maintenance facilities, etc.). Due to the effort required to comply with regulations for spending these funds, in addition to the amount of time it takes to complete capital projects, Transit grants are allowed to remain in-place until activities funded by the grant are complete. Therefore, it is normal for these to span multiple fiscal years.

Please find below an excerpt from a spreadsheet that staff uses to track the status of active Transit grants:

<b>City Project #/ Federal Grant #</b>	<b>Work Complete</b>	<b>Work In-Process</b>	<b>Estimated Completion</b>
TR0802	– FY 2009 operations (drivers, fuel, City support staff)	Park-and-ride lot	FY 16
NC-90-X446-00	– FY 2009 maintenance (Fleet Charges) – Bus replacement – Comprehensive Marketing Plan – Transit System Development Plan – Construction of bus stops and shelters – Expansion of Fleet Maintenance, Building A	feasibility study and preliminary design	

As with TR0802, many of the Grant Projects listed on the Transit summary sheet of the budget book (Page 53) are moving toward completion and will be closed in the coming fiscal year.

Exhibit "B"

**Jacksonville City Council**



**Special Budget Workshop Meeting**  
**April 14, 2015**



**Fiscal Year 2015-2016**  
**Departmental Budgets**

**Community Programs**

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	279,372	227,363
<b>Overhead Allocations</b>		
Water Sewer, Solid Waste, Stormwater	48,621	49,325
Miscellaneous Revenue	2,500	2,500
<b>Totals</b>	<b>330,493</b>	<b>279,188</b>
<b>Expenditures</b>	<b>330,493</b>	<b>279,188</b>



**Community Programs**

Staffing	Amended FY15	Proposed FY16
Full Time	2	2
Part Time	-	-
<b>Totals</b>	<b>2</b>	<b>2</b>



**Jacksonville Tourism and  
Development Authority**

Revenues	Amended FY15	Proposed FY16
Occupancy Tax	900,000	900,000
<b>Totals</b>	<b>900,000</b>	<b>900,000</b>
<b>Expenditures</b>	<b>900,000</b>	<b>900,000</b>



**Human Resources**

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	587,170	532,858
<b>Overhead Allocations</b>		
Water Sewer, Solid Waste, Stormwater	175,445	178,517
<b>Totals</b>	<b>762,615</b>	<b>711,375</b>
<b>Expenditures</b>	<b>762,615</b>	<b>711,375</b>



### Human Resources

Staffing	Amended FY15	Proposed FY16
Full Time	5	5
Part Time	-	-
<b>Totals</b>	<b>5</b>	<b>5</b>



### City Clerk

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	194,083	149,427
<b>Overhead Allocations</b>		
Water Sewer, Solid Waste, Stormwater	43,934	49,380
Fees (Annexation)	1,500	1,500
<b>Totals</b>	<b>239,517</b>	<b>200,307</b>
<b>Expenditures</b>	<b>239,517</b>	<b>200,307</b>



### City Clerk

Staffing	Amended FY15	Proposed FY16
Full Time	3	2
Part Time	-	-
<b>Totals</b>	<b>3</b>	<b>2</b>



### Finance Department

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	827,492	1,527,843
<b>Overhead Allocations</b>		
Water Sewer, Solid Waste, Stormwater	1,089,572	1,085,306
Fees	787,000	27,000
<b>Totals</b>	<b>2,704,064</b>	<b>2,640,149</b>
<b>Expenditures</b>	<b>2,704,064</b>	<b>2,640,149</b>



### Finance Department

Staffing	Amended FY15	Proposed FY16
Full Time	25	24
Part Time	-	-
<b>Totals</b>	<b>25</b>	<b>24</b>



### Metering Division

Revenues	Amended FY15	Proposed FY16
Water & Sewer Revenue	472,869	429,049
Fees for Meter Purchases	28,000	23,000
Debt Proceeds	24,726	-
<b>Totals</b>	<b>525,595</b>	<b>452,049</b>
<b>Expenditures</b>	<b>525,595</b>	<b>452,049</b>



### Metering Division

Staffing	Amended FY15	Proposed FY16
Full Time	6	5
Part Time	-	-
<b>Totals</b>	<b>6</b>	<b>5</b>



### Fleet Maintenance

Revenues	Amended FY15	Proposed FY16
Charges to other Funds	3,286,322	3,435,112
Debt Proceeds	103,357	-
Appropriated Fund Balance	3,421	(41,917)
<b>Totals</b>	<b>3,393,100</b>	<b>3,393,195</b>
<b>Expenditures</b>	<b>3,393,100</b>	<b>3,393,195</b>



### Fleet Maintenance

Staffing	Amended FY15	Proposed FY16
Full Time	11	11
Part Time	-	-
<b>Totals</b>	<b>11</b>	<b>11</b>



### GF Non Departmental

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	983,360	990,454
Fees & Special Revenue Projects	225,200	225,350
<b>Totals</b>	<b>1,208,560</b>	<b>1,215,804</b>



### GF Non Departmental

Expenditures	Amended FY15	Proposed FY16
Operations	1,208,560	1,186,924
Capital Projects		721,993
Capital Reserve		(693,113)
<b>Totals</b>	<b>1,208,560</b>	<b>1,215,804</b>



### Police Department

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	15,796,664	15,647,184
Fees	196,950	211,350
Grants		582,635
Debt Proceeds	555,812	482,000
<b>Totals</b>	<b>16,549,426</b>	<b>16,923,169</b>



### Police Department

Expenditures	Amended FY15	Proposed FY16
Operations	16,549,426	16,629,346
Grants		763,252
Capital Improvement Projects		(469,429)
<b>Totals</b>	<b>16,549,426</b>	<b>16,923,169</b>



### Police Department

Staffing	Amended FY15	Proposed FY16
<b>Full Time</b>		
Sworn Officers	122	122
Civilians	30	30
<b>Total</b>	<b>152</b>	<b>152</b>
<b>Part Time</b>		
Sworn Officers	5	5
Civilians	13	13
<b>Total</b>	<b>18</b>	<b>18</b>
<b>Totals</b>	<b>170</b>	<b>170</b>



### Fire and Emergency Services

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	7,720,118	7,582,769
Fees	37,550	42,900
Grant	-	-
Debt Proceeds	515,000	67,050
<b>Totals</b>	<b>8,272,668</b>	<b>7,692,719</b>



### Fire and Emergency Services

Expenditures	Amended FY15	Proposed FY16
Operations	8,272,668	7,692,719
Grant	-	-
<b>Totals</b>	<b>8,272,668</b>	<b>7,692,719</b>



### Fire and Emergency Services

Staffing	Amended FY15	Proposed FY16
<b>Full Time</b>		
Regular	88	88
Funded by SAFER Grant	-	-
<b>Part Time</b>	<b>3</b>	<b>3</b>
<b>Totals</b>	<b>91</b>	<b>91</b>



### Recreation & Parks Department

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	4,877,420	4,598,754
Fees	686,729	681,729
Grants		900,000
Debt Proceeds	67,206	94,750
<b>Totals</b>	<b>5,631,355</b>	<b>6,275,233</b>



### Recreation & Parks Department

Expenditures	Amended FY15	Proposed FY16
Operations	5,631,355	5,345,733
<b>Capital Improvement Projects</b>		
NC24 Lejeune Boulevard Trail		900,000
<b>CIP Total</b>		<b>29,500</b>
<b>Totals</b>	<b>5,631,355</b>	<b>6,275,233</b>



### Recreation & Parks Department

Staffing	Amended FY15	Proposed FY16
Full Time	40	44
Part Time	3	3
Seasonal	28	28
<b>Totals</b>	<b>71</b>	<b>75</b>



### Planning Administration

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	1,013,153	802,903
<b>Overhead Allocations</b>		
Water Sewer, Solid Waste, Stormwater	-	-
Fees	42,000	42,000
<b>Totals</b>	<b>1,055,153</b>	<b>844,903</b>
<b>Expenditures</b>	<b>1,055,153</b>	<b>844,903</b>



### Planning Administration

Staffing	Amended FY15	Proposed FY16
Full Time	11	9
<b>Totals</b>	<b>11</b>	<b>9</b>



### Building Inspections

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	161,128	93,476
Inspection Fees	600,000	600,000
Debt Proceeds	29,876	-
<b>Totals</b>	<b>791,004</b>	<b>693,476</b>
<b>Expenditures</b>	<b>791,004</b>	<b>693,476</b>



### Building Inspections

Staffing	Amended FY15	Proposed FY16
Full Time	7	6
<b>Totals</b>	<b>7</b>	<b>6</b>



### Code Enforcement

Revenues	Amended FY15	Proposed FY16
Taxes & Other General Fund Revenue	291,988	279,118
Nuisance Abatement Fees	22,000	32,000
Debt Proceeds	24,726	-
<b>Totals</b>	<b>338,714</b>	<b>311,118</b>
<b>Expenditures</b>	<b>338,714</b>	<b>311,118</b>



### Code Enforcement

Staffing	Amended FY15	Proposed FY16
Full Time	3.3	3.3
<b>Totals</b>	<b>3.3</b>	<b>3.3</b>



### Community Development

Revenues	Amended FY15	Proposed FY16
Program Revenue	181,988	170,675
Administration Fees	900	883
Grants	365,744	352,202
Miscellaneous	40	100
<b>Totals</b>	<b>548,672</b>	<b>523,860</b>
<b>Expenditures</b>	<b>548,672</b>	<b>523,860</b>



### Community Development

Staffing	Amended FY15	Proposed FY16
Full Time	1.7	1.7
<b>Totals</b>	<b>1.7</b>	<b>1.7</b>

