

COUNCIL MINUTES
SPECIAL WORKSHOP MEETING

May 9, 2017

A special workshop meeting of the City Council of the City of Jacksonville was held Tuesday, May 9, 2017 beginning at 5:00 PM in Meeting Rooms A and B of Jacksonville City Hall. Present were: Mayor Sammy Phillips, presiding; Council Members: Jerry Bittner, Randy Thomas, Angelia Washington, and Bob Warden. Mayor Pro-Tem Michael Lazzara and Councilman Jerome Willingham were 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; Anthony Prinz, Transportation Services Administrator; Mike Yaniero, Director of Public Safety; Susan Baptist, Director of Recreation Services; Michael Liquori, Director of Park Facilities; Wally Hansen, Public Services Director; 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 Phillips called the meeting to order at 5:04 PM.

ADOPTION OF PROPOSED AGENDA AND CONSENT ITEMS

A motion was made Councilman Bittner, seconded by Councilman Warden, and unanimously approved to adopt the agenda and Consent Items as presented.

BUDGET AMENDMENT FOR THE NUMBER OF AUTHORIZED POSITIONS

During FY18 Budget discussions, the City Manager recommended that instead of using Temporary Agencies for long term part-time employees working in on-going programs that they be hired by the City as non-benefited part-time employees. Because some of those positions involved summer work that begins before July 1, 2017, the City would like to begin that program during fiscal year 2017.

Council approved the Amendment for the Number of Authorized Positions.

Ordinance 2017-21, Bk. 12, Pg. 591

WORKSHOP TOPICS

FY18 BUDGET REVIEW

Follow –Up from May 2, 2017 Workshop

Referring to Exhibit A, Mr. Richard Woodruff, City Manager, gave a detailed report of follow-up items from the May 2nd Workshop Meeting.

He said Council had asked how many people in the different Health plans actually met their deductibles. There were 25 who met their deductible in the \$1,250 plan, 28 in the \$1,750 plan, and 44 in the \$2,750 plan.

Concerning the Emergency Room deductible increase proposals Ms. Kimberly Williams, Chief Human Resource Officer, stated the \$400 deductible resulted in \$46,300 in savings, while the \$500 resulted in savings of \$68,600. Mr. Ron Massey, Deputy City Manager reminded Council that the proposed \$300 deductible resulted in savings of \$35,255. Ms. Williams said the recommendation for \$300 was based on industry standard. Mr. Woodruff said the estimates assumed that raising the deductible to that level, according to industry trends, would provide that amount of savings. He added that they were hoping the Tele-Doc program would also help modify behavior and keep employees from automatically turning to the Emergency Room.

Regarding the Stormwater information, Mr. Woodruff one thing he wanted to point out in the follow-up was that when DOT completed the project for the drainage improvements at Western Boulevard and Highway 24, there would be some ancillary work necessary by the City. This was why the unrestricted fund in that account was over \$2 million. Staff was encouraging Council to let that account build in order to have money available should the ancillary work be required.

Concerning the ONWASA interlocal agreement, Mr. Woodruff said it was a 20-year bond agreement and at the end of the 20 years the bond would sunset. The Sunoco Contract for Sanitation was for a five-year period ending October of 2016. The original contract had ended; however, it contained an option to extend the agreement at the sole discretion of the City, for one year periods up to a maximum of five. They were currently in an extension period. Sunoco had been very clear that unless the industry turned around, when the extensions were over, there would be a substantial increase in the charges. Mr. Woodruff recommended further analysis for future review at a workshop, or to negotiate a new contract.

Regarding the Emergency Room deductible, Councilman Warden suggested increasing it to \$400. Councilman Bittner asked if the increase had already been raised a hundred percent. Mr.

Woodruff said the increase last year was from \$200 to \$300, which equaled a hundred percent increase. Discussion ensued regarding the reserve account and the fact that current trends were showing more increases in the future unless behavior changed.

Mayor Phillips said he felt it was very important to educate employees that the Emergency Room should not be the first choice for treatment. Mr. Woodruff said other than Police and Fire Departments, he had met with all City employees in small groups to discuss the Tele-Doc program, and how it worked. He had also stressed the importance of not using the Emergency Room for the wrong reasons.

Councilman Bittner asked if we were locked into an annual change. For example, if they stayed with the \$300 deductible and mid-year performance did not show positive results, could the change be made at that point. Mr. Woodruff said it was his understanding that the health plan could be modified any time during the year. Ms. Williams said she believed that could be done; however, communicating the change could be complicated. Mr. Woodruff said staff would check and verify that it would be possible.

Councilman Bittner said if the trend showed a less than desired result, he would be willing to support Councilman Warden's recommendation to increase to \$400 at that time. Councilman Warden said he was willing to wait a few months to see if Tele-Doc made a difference.

Mr. John Carter, City Attorney, said he wanted to make sure Council understood a mid-year change would take time, thirty to sixty days possibly, as it involved procedural changes with BCBS. Mr. Woodruff said staff would verify the modification process and time lags and report this information back to Council.

Departmental Issues pg. 185

Mr. Woodruff reported that there had been 37 departmental issues of which he had approved 26 and placed in the budget. Ten were not recommended and not in the budget, and there was one for Council decision. Some of the items he had approved were the HR Technician, the part time employee using temp funds in the City Clerk's office. The Crisis Counselor funded with a one year grant with a two-year renewal. There was no financial impact on the City since it was a grant. Funding for Child Forensic Exams were no longer available through other sources. These exams were essential due to child abuse, so \$15,000 was placed in the budget for this. Streets Department needed an excavator at a cost of \$8,000, which would be funded over five years, and the Recreation Specialist going to a full time position was at a cost of \$3,000 annually.

Councilman Bittner asked if ONWASA had given the City an Excavator. Mr. Woodruff said it had not been given; the City had purchased it four or five years ago. Mr. Johnny Stiltner, Streets Superintendent stated there were three small excavators, but the small ones were not big enough for the jobs they needed. Streets had been borrowing one from Utilities Maintenance and since the Streets Department was turning one of the small ones in there would be a \$20,000 overall budget difference.

Mr. Hansen stated the other piece of stormwater equipment shown in the budget at \$8,700 was a transfer of the sewer camera truck to stormwater. This truck was being life cycled out, a new camera system and truck were being purchased in water and sewer and the existing truck would be transferred to stormwater. This was being done since the Streets Department borrowed the truck to camera the storm water pipes. Streets had to wait until the truck was available and thus the purchase was necessary for an uninterrupted work flow.

Mr. Woodruff said the six Recreation Aides would become part time non-benefited. A construction inspector would be hired as a contract employee with no benefits and no long-term employment and when the Sturgeon City project was completed their employment would end.

Councilman Warden asked with a reduced demand for inspectors would it be possible to move someone to that position instead of hiring someone new. Mr. Woodruff said that could be done; however, the position would be charged to the project accounts not to the General Fund. The Fleet summer position was part time, non-benefited and there were also fifteen small miscellaneous departmental items he had approved.

The ten items he did not recommend were as follows:

- Public/Private Partnership contributions requested an increase of \$15,000
- Three police officers in the Police Department
- Truck purchase for \$40,000
- Fire Life Packs – personnel were not currently trained for these apparatus
- Recreation Athletic Assistant – did not need to add a position
- Recreation request to move 4 Center Supervisors from Temporary to Full time and 16 Assistants from Temporary to Full time.
- Water and sewer line – waiting for rate study to come in.
- Streets requested an additional full time position that could not be supported at this time.

Mr. Woodruff said the one item he had not made a decision on was the Neighborhood Matching Grant. The Office of Livable Neighborhoods had done well with Bayshore and Bell

Fork Homes areas. One concept was for the Council to establish a matching grant for those neighborhoods. Guidelines had not been constructed at this point. Staff could put guidelines together in the next several months and if Council liked them, they could reduce the contingency fund by \$10,000 for this; otherwise, they could put it in the budget and if it was not spent it would go back into the fund balance next year.

Councilman Bittner said there had been a request for a downtown façade program and he asked if it had been placed in the budget. Mr. Woodruff said staff had found a way to include it in the budget with the \$30,000 that was placed in the budget from time to time for Public/Private Partnerships and there was money in the existing budget for matching grants in the downtown area if Council wanted to establish it. Mr. Woodruff recommended they leave the \$30,000 in that line item and allow staff to bring back guidelines of how it could be used in the downtown.

Councilman Warden expressed that he thought \$10,000 for neighborhoods was a good place to start, with the guidelines in place. Councilman Bittner agreed.

Authorized Personnel pg. 17

Mr. Woodruff stated there were currently 557 full time positions which would increase to 560 in FY18. One of these positions would be for one Telecommunicator from the grant, one Recreation person moving from part-time temporary to full time and one Human Resource position. Part-Time benefited dropped from six to five because one of these had been added to full time. Part time non-benefited would increase by fifteen.

BUDGET FOCUS TOPICS

Topic One: FY18 CIP

As shown in Exhibit A, Mr. Woodruff reviewed the FY18 CIP General Fund projects which included Western Boulevard Landscaping, New Bridge Street Improvements, Ray Park Amphitheater, Northeast Creek Park Playground, Northeast Creek Park Bulkhead, Riverwalk Marina, Tennis Court Resurfacing mainly at the Commons area, Rails to Trails, and Fiber Connectivity.

Mayor Phillips asked if the surface for the tennis courts could be reviewed to see if there was another type of surface that might be less expensive. Ms. Susan Baptist, Director of Recreation Services stated the asphalt surface currently in place was standard. It was a matter of how it was laid out and the quality. She said they were hoping for ongoing maintenance to assist in extending the life of the courts.

Mr. Woodruff said the Transit Park and Ride lot at the Commons should be under construction by late summer or early fall and operational for the next Jacksonville Jamboree. Transit also had the Multimodal Center. He said the Powell Bill would provide for street paving and sidewalks, TDA would have the Beirut Memorial Grove signage and Commons Digital sign along with Stormwater providing for the Center Street project. There were 18 projects with Water and Sewer. Other projects not in the CIP were the Welcome Center at Jacksonville Landing, Sturgeon City Civic and Environmental Education Center, and the City Cemetery fence project.

Topic Two: Water and Sewer Rate Study

Mr. Woodruff said the City hired StanTec to create a water and sewer rate model, which would allow staff to input data into the model in order to generate proposed rates. Staff expected to review the model in late May or June and by August or September, staff should be ready to provide information to Council and the Water and Sewer Advisory Committee as to what the rates should be.

Councilman Thomas asked if the bond issuance came after the rate model. Mr. Woodruff said it had to because the rate model created the feasibility to show the bond could be paid.

Councilman Thomas asked the age of the old rate model was. Mr. Massey said it was from 2009. Ms. Gayle Maides, Finance Director stated that had also been associated with a bond issue and feasibility study. When the City went for proposals this time, StanTec provided a better model that was more dynamic and easier to use with dashboards that would enable staff to show Council what the effect of the change of the rate would be. The old model was more cumbersome.

Topic Three: Wage Adjustments

Mr. Woodruff stated ONWASA, the County Government and the Onslow County School Board had not adopted their budgets so it was unclear as to what they were intending to do with wages. His understanding was that the County Manager would be recommending a consumer price index adjusted rate. ONWASA's Executive Director said he planned to recommend the same. This was generally a rate between 2 and 2.9 percent. Mr. Woodruff said he was not able to obtain any information from the School Board.

As shown in Exhibit A, Mr. Woodruff provided a history of the past increases for the City and showed the effect of a \$1,000 increase as authorized last year, along with additional salary increase options.

Councilman Thomas asked if last year the increase totaled \$550,000. Ms. Gayle Maides said the chart included benefits with FICA tax, retirement, etc. so this was the cost.

Mr. Woodruff said some considerations were health plan increases, local competition, impact on the fund balance and employee morale.

He said relative to the rate increase and health insurance premiums, Councilwoman Washington had asked at the last meeting to show the cost increase. He said the ten percent increase in premiums would cost an average employee \$78 per year. The highest impact would be employee and family on the \$1,750 plan costing them \$598 annually.

Mayor Phillips asked what the rate for the CPI was. Mr. Woodruff said it was 2 – 2.9 percent and it depended which CPI - the national, regional, etc. He said the City went with the regional adjusted CPI. Ms. Maides said it was 2.0.

RECESS/RECONVENE

Mayor Phillips recessed the meeting at 6:06 PM in order to take a short break. Mayor Phillips reconvened the meeting at 6:22 PM.

Fee Schedule pg. 187

Mr. Woodruff said the following fee schedule changes were proposed:

Under Fiber Optic Cable: While working with companion Governments, school boards, ONWASA, or with Onslow County there was a fee per foot.

Fire Department: \$30 per hour for Special Event billing versus \$22.75

Fire Prevention Code Requirements: Language stricken to clarify how work was done.

Fire Inspections relative to automatic fire extinguisher systems would garner larger fees for larger buildings and Fire Alarms, the larger the building the larger the fee.

Wrecker fees for vehicles under 10,000 pounds: Outdoor storage fees were increasing from \$25 to \$30, indoor from \$30 to \$35 and the after hour fee was changing as well. After 9:00 PM it would be one half the daily rate for the day placed in the lot. All additional time would be counted as a full day.

Recreation: Easier calculation for use of rentals at Recreation Centers. Discussion was held and due to some confusion Mr. Woodruff said clarification of the fees would be provided to Council at the next meeting.

Solid waste fees for small business rates would be per container.

Hydrant meter deposits would be increased (these are construction meters).

Employee Compensation Topic

Councilwoman Washington asked if Department Directors had the ability to provide raises to employees. Mr. Woodruff said no, they could not. However, they could provide a Performance Plus Award for outstanding work. He also said if there was a change to their position such as some type of educational accomplishment that moved them from one step to the next, a pay increase could be recommended which has to go through the HR Department. Any salary adjustments had to go through the HR Department. There have also been times the Council has given permission to offer up to a ten percent increase for employees who have considered leaving the City for other employment.

Council reviewed the previously presented wage chart showing the breakdown of the effect of a \$1,000 wage increase for each level of employee. Mr. Woodruff said the lowest paid employees benefited the most. Discussion was held.

Councilman Bittner made a motion to provide a \$1,000 wage increase across the board in employee salaries; however, this motion died for lack of a second.

Councilman Warden said he would prefer the full Council be present for this decision; however, he liked the idea of a flat amount and would consider a \$500 increase. A motion was made by Councilman Warden and seconded by Councilman Thomas to increase pay across the board in the amount of \$500.

Discussion was held.

Councilwoman Washington said she preferred to have the entire Council present in order to spend more time discussing the issue of increases. She said she wanted to know the total of the maximum pay for performance for last year. Mr. Woodruff stated the maximum per employee was \$500. She said she was referring to the total dollar amount in order to make a disbursement as an example between \$50 and \$100.

Following additional discussion, a vote was taken on the motion to increase pay across the board in the amount of \$500. The motion failed on a 2 to 3 vote as follows:

Voting “Aye” – Council Members Warden and Thomas.

Voting “Nay” Council Members Bittner and Washington. Mayor Phillips cast the deciding vote against the motion.

ADJOURNMENT

A motion was made by Councilman Thomas, seconded by Councilwoman Washington, and unanimously adopted to adjourn the meeting at 6:46 PM.

Adopted by the Jacksonville City Council in regular session this 6th day of June, 2017.

Sammy Phillips, Mayor

ATTEST:

Carmen K. Miracle, City Clerk

Exhibit "A"

Jacksonville City Council



Regular Workshop Meeting
May 9, 2017

Proposed Workshop Agenda

1. Consent: Budget Amendment for Authorized Persons
2. FY18 Review Budget



Schedule

April 4	Opening Workshop	
April 11	Budget Workshop	5 PM
April 18	Budget Workshop Public Hearing	5-6:45 PM 7 PM
April 25	Advisory Board & Committee Appreciation Dinner	6-8 PM
May 2	Budget Workshop	5-6:45 PM
May 9	Budget Workshop	5-8 PM
May 16	Budget Workshop as needed Budget Adoption	5-6:45 PM 7 PM



FY18 Budget Workshop

1. Follow-up May 2 items
2. Departmental Issues: Page 185
3. Fee Schedule: Page 187
4. Authorized Positions: Page 17



Budget Focus Topics

1. FY18 CIP
2. Water and Sewer Rate Study
3. Wage Adjustment



Budget Focus Topic:
Departmental Issues Page 185

Requested	37
In operations budget	26
Not Recommended	10
Council Decision	1



Budget Focus Topic:
Departmental Issues

In FY18 Budget	26
HR Technician	\$50,895
City Clerk Temp to PTNB	\$0
Crisis Counselor (Grant)	\$68,113
Child Forensic Exams	\$15,000
Streets Excavator – 5 Years	\$8,032
Recreation Specialist PTB & Temp to FTE	\$2,925



Budget Focus Topic:
Departmental Issues

In FY18 Budget	26
6 Recreation Aides to City PTNB	\$18,923
Transit Equipment (FTA Funded)	\$33,171
Construction Inspector	\$40,000
Stormwater Streets Equipment	\$8,755
Fleet PTNB Position	\$12,500
Miscellaneous Minor 15 Departmental Issues	



Budget Focus Topic:
Departmental Issues

Requested: Not Recommended	10
Increase Public-Private Contribution	\$15,000
3 JPD Officers	\$413,788
Fire Squad Truck	\$40,003
15 Fire Life Paks (5 Years)	\$4,686
Recreation Athletic Assistant	\$43,862



Budget Focus Topic:
Departmental Issues

Requested: Not Recommended	10
4 Recreation Center Supervisors: Temp to FTE	\$69,084
16 Recreation Program Assistants: Temp to FTE	\$167,133
Water & Sewer Line Maintenance 2 FTEs	\$74,599
Sewer 2 FTEs	\$86,913
Streets 1 FTE	\$57,307



Budget Focus Topic:
Departmental Issues

Requested: Mayor & Council Decision	1
Neighborhood Matching Grant Program	\$10,000



All Authorized Positions

Personnel	Amended FY17	FY18
Full Time	557	560
Part Time Benefited	6	5
Part Time Non-Benefited	48	63
Total	611	628



Proposed Authorized Full-Time Positions

	Council Approved FY17	FY18
General Fund	384.5	388.2
Water & Sewer Fund	77.2	77.2
All Others	95.3	94.6
Total	557.0	560.0



All Authorized Positions

Unit	Action	Result
HR	Add 1 Position	FY17 5 Positions
		FY18 6 Positions
Police	Sworn Officers	118 Positions – No Change
	Sworn Part Time Benefitted	0 Positions
Police	Civilian	FY16 30 Positions
		FY17 32 Positions
		FY18 33 Positions



Budget Focus Topic FY18 CIP

General Fund projects

- Western Blvd Landscaping
- New Bridge Street Improvements
- Ray Park Amphitheater
- Northeast Creek Park Playground



Budget Focus Topic FY18 CIP

General Fund projects

- Northeast Creek Park Bulkhead
- Riverwalk Marina
- Tennis Court Resurfacing
- Rails to Trails
- Fiber Connectivity



Budget Focus Topic FY18 CIP

Transit

- Commons Park and Ride lot
- Multimodal Center Phase 1

Powell Bill

- Street Paving
- Sidewalks



Budget Focus Topic FY18 CIP

TDA

- Beirut Memorial Grove signage
- Commons Digital Sign

Stormwater

- Center Street Project



Budget Focus Topic FY18 CIP

Water & Sewer	
18 Projects Overall	\$30,093,277
Major Projects: Parkwood Phase 1 (\$34M overall)	\$23,000,000
LTS Screen	\$632,657
Inflow & Infiltration	\$515,000
Holiday City	\$770,000
Drummer Kellum W/S	\$465,000
Henderson Drive W/S	\$1,552,920
Indian Drive Booster Station	\$983,200
LTS Aeration	\$710,000

Budget Focus Topic: CIP Projects

Other

- Welcome Center at Jacksonville Landing
- Sturgeon City Civic and Environment Education Center
- City Cemetery



Budget Focus topic: Water & Sewer Rate Study

StanTec

- Creation of new Rate Model
- City Training
- Periodic Updates by Finance



Budget Focus Topic: Water & Sewer Rate Study

Status

- Model Being Finalized
- Rate Scenarios Being Developed
- Staff review: May/June
- Council & Water and Sewer Advisory Committee: August/September



Budget Focus Topic: Wage Adjustment

Onslow County	A-CPI
ONWASA	A-CPI
Onslow County Schools	TBD



History of Increases & CPI

Fiscal Year	COLA	One time	CPI
2017	\$1,000		0.5%
2016	1%		0.6%
2015	2%		1.8%
2014	0%		1.7%
2013	1%	\$200	3.3%
2012	2%	\$200	1.4%
2011	1.5%		2.9%
2011 mid year	\$1,200		2.9%



Effect of the \$1,000 Increase

% Increase	# of Employees	% of Employees	% Cumulative
4.5% to 5%	3	0.6%	0.6 %
4.0% to 4.5%	28	5.3 %	5.9 %
3.5% to 4%	34	6.4 %	12.3 %
3.0% to 3.5%	88	16.5 %	28.8 %
2.5% to 3%	161	30.3 %	59.1 %
2.0 to 2.5%	116	21.8 %	80.9 %
1.5% to 2%	71	13.3 %	94.2 %
1.0% to 1.5%	21	3.9 %	98.1 %
Less than 1%	10	1.9 %	100.0 %



Salary Increase Options

	\$1,000 per Employee	1% per Employee
General Fund	\$448,243	\$197,626
Water/Sewer Fund	\$ 93,014	\$ 36,089
Solid Waste Fund	\$ 49,265	\$ 16,045
Stormwater Fund	\$ 25,828	\$ 9,576
Internal Service Funds	\$ 34,530	\$ 16,773
Grants	\$ 8,611	\$ 4,259



Budget focus Topic: Wage Adjustment

Considerations:

- Health Plan Increases
- Local Competition
- Impact on fund Balance
- Employee Morale

