COUNCIL MINUTES

BUDGET WORKSHOP MEETING

May 16, 2011

A budget workshop meeting of the City Council of the City of Jacksonville was held Monday, May 16, 2011 beginning at 5:00 PM in Meeting Rooms A & B of the Jacksonville City Hall. Present were: Mayor Sammy Phillips, presiding; Mayor Pro-Tem Michael Lazzara and Council Members: Jerry A. Bittner, Fannie K. Coleman, Randy Thomas, and Bob Warden. Councilman Jerome Willingham was absent. Also present were: Richard Woodruff, City Manager; Ron Massey, Assistant City Manager; Gayle Maides, Interim Finance Director; Glenn Hargett, Communications and Community Affairs Director; Mike Yaniero, Police Chief; Rick McIntyre, Fire Chief; Tim Chesnutt, Recreation and Parks Director; Earl Bunting, ITS Director; Grant Sparks, Public Services Director; Reggie Goodson, Planning and Development Services Director; Bill Ratliff, Human Resources Director; Carmen Miracle, City Clerk; and John Carter, City Attorney. *An audio recording of the Council Meeting is presently available for review in the City Clerk's Office.

CALL TO ORDER

Mayor Sammy Phillips called the meeting to order at 5:00 PM.

ADOPTION OF AGENDA

A motion was made by Councilman Warden, seconded by Council Member Coleman, and unanimously approved to adopt the agenda as presented.

2012 BUDGET

Mr. Woodruff referenced the follow up notes document that was prepared in response to the May 2 and May 3 budget meetings, a copy of which is herein attached as Exhibit A. Using the PowerPoint presentation attached to the official minutes as Exhibit B, Mr. Woodruff and related staff reviewed the following departmental budgets:

Water and Sewer Service: Important information included that the rate model implemented in the late nineties had held true on revenue projections and no rate increased was recommended for the coming year. One reason was because there was currently significant fund balance and there was no reason not to start tapping into that fund balance.

A discussion was held on the payment schedule for the water and sewer bonds. Mrs. Maides stated that bond payments were anticipated and would not affect the reported fund

balance. Mr. Woodruff also referenced Note 15 from Exhibit A and reviewed the five year history of water and sewer unrestricted new asset which translated to fund balance, currently a little over $20 million. He said that over the next several years, a significant amount for line improvements and lift station improvements could come from this fund without the need for a rate increase over the next several years.

Following review and discussions, Councilman Bittner asked for the current water and sewer impact fees and Mayor Phillips asked about the status of the debt service payments on the original land application site that used to be itemized on the utility bills. Mr. Woodruff indicated that staff would provide this information back to Council.

Additionally, Dr. Woodruff discussed the Forestry Management Plan for the Land Application site that staff hoped to present to Council in the next 30 days or so. Mayor Phillips asked if the budget included the recommendations by the forestry management consultants. Dr. Woodruff said no, mainly because they didn't have the final recommendations when the budget was prepared; however, many of the recommendations were expected to be inexpensive actions. He said the consultants planned to present their recommendations to Council at their June 7 meeting.

Sanitation: Mr. Woodruff reviewed the highlights of the Sanitation budget and pointed out that this service was currently provided by a general fund subsidy of $2.66 million. Also, in terms of the Waste Management contract, he reminded Council that the fees shown did not include the 1.4 cents rate increase that the company had asked Council to consider. The City Attorney reported that the request from Waste Management for the previous year's rate increase, which was denied by Council, could not be considered per the contract. Mr. Sparks pointed out that while the staffing level indicted 41 employees, there were actually only 37 hired and working due to automation and efficiencies.

Mayor Pro-Tem Lazzara initiated a discussion regarding the philosophy behind having fund balance support the service versus user rates. Councilman Bittner said it could be that it was deemed a service the City provided as a free and quality service as part of the tax paid. Also, there was concern that a user based service fee could result in illegal dumping. Following considerable discussion, Mr. Woodruff stressed that service fees were not being recommended as part of the budget but over the next year staff would be bringing back studies for Council in terms of additional mechanization and efficiencies.

Water Quality: Mr. Woodruff reviewed the revenue source (Stormwater fee), expenditures, and debt service. He pointed out that a number of employees from Streets were now being charged to this division, to more accurately reflect the work they were doing in terms of water quality, such as cleaning drains. Staff reviewed the major drainage projects coming up, in particular the Parkwood project, which was expected to be disruptive to the neighborhood. The contractor was going to complete small sections at a time, which was hoped to lessen the impact.

Mayor Phillips commented that it was important to make sure that the contractor returned the residents property to as close to pre-project condition as soon as they were able. He asked about the neighborhood awareness campaign. Mr. Woodruff explained that staff had gone out and met with the homeowners where the deepest digs would occur. Also, independent videos were to be taken of the properties before any construction began.

Mr. Woodruff also reported that over the next year, staff would be looking at a five year stormwater plan and also studying the concept of taking over individual storage lagoons on private property and charging a fee for managing those, as well as looking at concepts for regional or community wide storage facilities.

Mr. Carter reported on a prior discussion regarding the State exempting themselves from paying a stormwater fee for impervious surfaces. He had researched the idea of an exemption for the City and had learned that the City's permit required them to be rate payers, so an exemption was not possible

RECESS/RECONVENE

Mayor Phillips recess the meeting for short break at 6:02 PM. Mayor Phillips reconvened the meeting at 6:19 PM.

ITS: Mr. Woodruff reminded Council that each department contributed to ITS for their portion of the support and equipment provided. He reviewed the overall budget which had stayed generally the same as the previous year. Regarding a discussion on the ever changing nature of technology, Mr. Bunting reported that they had set up a five year life cycle program and also had started to lease more equipment at zero interest. Funds had been set aside the last four to five years in anticipation of having to replace the AS400 in the coming year.

A discussion was held on the capabilities of the AS400. Councilman Warden asked if a new AS400 was to be purchased. Mr. Bunting said they planned to purchase or lease two of them.

Video Media: Mr. Woodruff reviewed revenues and expenditures, and pointed out that the County and ONWASA contributed to this budget in order to pay for their use of video media services. He also referenced the major spike in cost during the year was due to the budget amendment approved by Council to replace a major piece of equipment (graphics generator) that had failed. Mr. Hargett briefly presented on the activities of the division and added that the County and ONWASA had been notified that the rates for these services would be going up this year.

Health Benefits: Mr. Ratliff stated that currently the health benefit plan was running over budget by about $275,000 for two significant reasons: 1) Claims were running higher than anticipated; and 2) about 50 additional persons were added to the plan as a result of health reform law, which allowed adding dependents up to age 26. In 2011, health reform also required that married dependents up to age 26 could be added to the plan. For retirees, last year the City began a plan to increase premiums toward an eventual goal of retirees paying 100% of their cost; therefore, there would be adjustment upwards in their premiums. Last year, retirees accounted for 10% of the medical costs. There were 27 retirees in total on the plan. Mr. Ratliff announced that the good news was that Blue Cross/Blue Shield had notified them that there would be no increase in health insurance for next year and no change in our schedule of benefits. Mr. Woodruff stated that a 6% increase had been built into the budget for an increase but if it was found not to be needed, that amount could possibly be folded back into the general fund. Mr. Ratliff also reported that it appeared that their workers compensation renewal would decrease as well.

Mayor Phillips asked about the Wellness Program. Mr. Ratliff said it was working well and they were working on meshing with the BCBS Blue Points program. In terms of participation, he reported approximately 35-40% participated. Mayor Phillips suggested more promotion of the program in terms of employees maintaining and attaining better health.

DEPARTMENT ISSUES

Mr. Woodruff stated that departmental issues as listed in the budget would be reviewed for Council information. These were items requested by departments that were currently not funded in the budget. Staff did not expect decisions about any of these issues at this meeting. Senior management was continuing to work on finding ways to reduce the budget as originally submitted and would be bringing back a series of additional budget modifications.

Community Programs: Funding for Intern Program: Mr. Hargett explained that this program would allow for a small stipend to be paid to interns. The program was designed to work on providing exposure to operations within the City that we often have difficulty filling. Mr. Woodruff said this was not a shadowing program but one in which the intern would be given productive tasks to complete. He said that specific protocol would be written for the program before any funds were spent.

Mayor Pro-Tem Lazzara expressed support in terms of past discussions Council had regarding the difficulty in filling engineering and other available positions.

Human Resources: Mr. Ratliff asked that the Interview Manager Software be removed as it was erroneously entered as an issue. He discussed the Online Benefit Enrollment Application program. This program would allow employees to enroll in City benefit programs from any computer. This would reduce staff involvement, as well as paper and storage required. It was also a more accurate way to enroll.

Mayor Phillips asked if BCBS didn't already provide this. Mr. Ratliff said that BCBS did have an on-line enrollment system but this program would be for all City benefits including voluntary products such as life, dental, disability, 401k, etc. In response to a question by Councilman Warden, Mr. Ratliff said that yes, all of the current paper applications would also be converted to digital. Mr. Woodruff pointed out that the $19,335 was an annual fee so this would not be a one-time purchase but a recurring expense.

Considerable discussion was held and Mr. Woodruff stated that staff would gather and provide more information on the current open enrollment and orientation processes as well as more information on the proposed online service.

Fleet Maintenance – Small Engine Mechanic – Mr. Richards stated that this position was requested in order to service and repair the small engine equipment for the City. This would relieve the pressure on the regular mechanic who was paid at a higher rate so that position could concentrate on larger repair projects such as police cars.

Discussion was held on the various types of small engine equipment the position would be working on. Mr. Richards said in addition to mowers, there were some gators, ATV's, sand spreaders, utility vehicles, trailers, etc.

Councilman Bittner asked if it would be worthwhile to contract these types of repairs out to a local business. Mr. Woodruff said staff could check into that alternative. Mr. Richards said

he would prefer for Fleet Maintenance personnel to repair City equipment so they could track the history of the equipment.

A discussion was held about repairing fire department equipment and Mayor Phillips asked if this position were approved, would the requested Fire Equipment Technician still be needed. Mr. Richards said the Fire Equipment Technician would still be needed because it fixed fire apparatus, which required technical skills they did not have in Fleet Maintenance.

Mr. Woodruff said if Council was interested, staff could set up a tour for them to view the various equipment owned and maintained by the City.

Police: The Police Department was requesting a PSO (Police Service Officer), two Telecommunicators, and five Police Officers and Equipment. Using Exhibit B, Chief Yaniero provided a detailed report on the increase in calls for service and total time responding to calls for service. He explained that in regards to the PSO position, there was an open Captain position due to Captain Teeter's retirement. They would like to have Captain Teeter return in this PSO position to work on training and accreditation and to mentor the young lieutenants who were working towards the Captain position. This position would not increase the budget as the cost would be absorbed by the existing budget, but it would increase the total number of authorized positions.

Mayor Pro-Tem Lazzara asked what happened when the Captain slot was eventually filled. Chief Yaniero said the PSO position would be eliminated.

Telecommunicators: Chief Yaniero provided benchmarking information and current calls for service as well as explained the need for the additional two positions as shown in Exhibit B. He said it was important to note that there was high stress and turnover in the position. He pointed out that it takes about 3 to 6 months to train a Telecommunicator. Adding additional positions, especially during peak times, would increase efficiency and effectiveness and reduce some of the stress current Telecommunicators were experiencing. Chief Yaniero pointed out that several years ago in anticipation of the growth, they had added the equipment to support more positions.

Mr. Woodruff reported that future areas of study included determining the number of calls coming into E-911 that were non emergency and ways to handle those calls.

Five Police Officers: Using Exhibit B, Chief Yaniero reviewed benefits of proactive policing and the demands on the department created by continued growth of the City. In addition, cities of similar size such as Greenville and Rocky Mount averaged approximately 2.5

officers per 1,000 in population while Jacksonville averaged about 2 officers per 1,000 in population (Base population not included.)

In response to discussions, Chief Yaniero reported that there was an opportunity to apply for additional officers through the COPS Grant; however, the deadline was May 25, so if they were interested they would need to get approval and apply within the next week or so.

Council discussed the continued growth in the City as well as service to those living on the fringe of the City. The Chief discussed traffic concerns as more and more people drove into the City to work or through the City to other areas. He said there had been substantial increases in traffic counts especially on Western Blvd, Hwy 17 and Hwy 24, even with the opening of the 17 Bypass.

A motion was made by Councilman Bittner and seconded by Mayor Pro-Tem Lazzara to authorize submitting a COPS Grant Application for five police officers, which if approved would be brought back for consideration of acceptance and consideration of authorizing the positions.

Following a discussion, the motion was approved unanimously.

RECESS/RECONVENE

Mayor Phillips recessed the meeting at 7:31 PM for a short break. Mayor Phillips reconvened the meeting at 7:39 PM.

Fire Department: Fire Equipment Technician (Part time to Full Time) – As shown in Exhibit B, Chief McIntyre outlined the need to move this position from part time to full time. He also reviewed the types of equipment this position maintained as well as well as the technical certifications that were required for the position. He said that during last year's budget they had agreed to try to cover this using overtime; however, they were spending $15,000 in overtime and not getting the job completed as needed.

Councilman Bittner asked if the $15,000 in overtime went to a single individual. Chief McIntyre said no. Councilman Bittner further asked if any of the work was small engine repair and if so, could it be consolidated with the small engine repair position if it was eventually approved. The Chief responded that a few of the pieces were items such as a chain saw, but not many were gas powered engines.

Mr. Woodruff asked if the position was increased to full time, then no overtime would be needed. Deputy Chief Lee said that there were situations when multiple pieces could break down at the same time, but he felt that one person, full time, would be able to have a bigger impact.

Following discussion, Mr. Woodruff stated that 1) the position was a non-suppression employee at a lower pay grade; and 2) that management pledged to Council the Department would not run overtime unless it was a non suppression employee.

Discussions were held on the required certifications and Mr. Woodruff said staff would provide Council with more information on the specific certifications and costs to obtain those.

Council would continue the review and discussions on Department Issues at their next budget workshop scheduled for the following afternoon, Tuesday, May 17, 2011.

ADJOURNMENT

A motion was made by Councilman Bittner, seconded by Council Member Coleman, and unanimously adopted to adjourn the meeting at 7:49 PM.

Adopted by the Jacksonville City Council in regular session this 7th day of June, 2011.

_____
Sammy Phillips, Mayor

ATTEST:

_____
Carmen K. Miracle, City Clerk

Exhibit "A"

FY/12 PROPOSED BUDGET
May 16 and 17 Workshop Follow-Up

INTRODUCTION: As a follow up to the budget workshops on May 16 and 17, listed below is information on various items Council requested.

Note 1 – General Request-Provide the City assessed value by land-use category.

Response: The following was extracted from the Onslow County GIS information:

Per Cent of Assessed Value by Land Use

	Parcels	%
Dwelling parcels	11,851	48%
Apartment parcels	77	4%
Commercial parcels	1,912	43%
Industrial parcels	7	0%
Vacant parcels	1,353	4%
Exempt parcels	5	0%
Other parcels	275	0%
No data	7	0%
Total Assessed Value		100%

The total assessed value for the real property of the City (land and buildings) is valued at $2,880,326,495.

Note 2 – General Request-Provide sales-tax distribution formula - County/City distribution.

Response: The County elects, under special legislative authority, to distribute the sales tax on a formula that is based 40% on population and 60% on ad valorem tax. That is 40% of the sales tax received in the County is distributed to the County and the municipalities based on the ratio of the entity's population compared to the total of the populations of each entity. The other 60% of the sales tax received in the County is allocated on the basis of the entity's ad valorem tax (property tax) levy compared to the total tax levied by all entities. For FY 12, it is projected that the City will receive $11,361,625 through this distribution formula.

Note 3 - Page 13 Requested Positions - Clarification needed. (Attached)

Response: The FY 12 budget book inadvertently contained the original department requests which were given to the management. This totaled 18 new positions. The management eliminated 4 of those requests. The correct number of requested positions to be considered as department issues is 14 fulltime, 2.9 part time and 0.84 seasonal. A revised sheet is attached.

Note 4 - Page 33 thru 36 Transit - Explain revenue AARA Grants ($453,000) (Attached)

Response: For FY 11, Transit applied for an AARA grant of $453,000. This is currently shown as a revenue and as an expenditure for FY 11. The grant was not approved. The FY 12 showed this as ($453,000) as a method of "cleaning the budget". We have removed this from the FY 12 budget and will process an amendment to our current FY 11 budget to delete this from both the revenue and expenditures for Transit. A corrected section is attached.

Note 5 - Page 55 Metering - How many of our meters are currently read through the automated reading system and why are other meters not read that way.

Response: As of February of 2011, the City had 17,109 meters and all except one were AMR (automated meter readers) meters. Of those meters 97% were successfully read electronically in April. The one meter that has not been changed out is downtown and we are waiting for the construction to be completed to see what the final use of this building will be.

Note 6 - Page 59 Fleet Maintenance - Provide data regarding gasoline/diesel cost increases for FY/11.

Response: AS of the end of April, the City had purchased 175,543 gallons of unleaded and 100,584 gallons of diesel during FY 11. The City buys fuel in truck load size, 8000 gallons, per purchase.

	Unleaded	Bio-Diesel
Purchase 07/01/10	$1.97	$2.16
Purchase 04/29/11	$3.27	$3.366
Budget FY11	$2.50	$2.75
Budget FY12	$2.80	$3.05

Due to the current price of fuel, we are analyzing the need to increase the budget for FY12.

Note 7 - Page 68 Police Department - Comment 1 further explain $61,000 increase regarding wages.

Response: For FY 11, the Police Department health insurance expense did increase significantly ($178,000) based on the fact that they have more participants in FY11 than were originally budgeted. The Department will likely exceed the currently budgeted amount for FY11. Additionally, we budgeted to allow for even more new enrollees for FY12. Even so, we believe that this increase can be reduced after further investigation. The regular salaries did decrease by $134,000 and the retirement increased by $24,000. With all these adjustments, the Police Salary item will increase $61,000+- for FY 12.

Note 8 - Page 72 Fire Department - Departmental issue of positions requested versus page 13 summary of positions requested.

Response: There were several position listed on page 13 that were contemplated early on in the budget process, but that did not make it to the final proposed budget. A replacement page 13 has been provided. The original Fire Department budget request did include a request for an additional administrative position. This was withdrawn after initial budget discussions.

Note 9 – General request- Expenditure of Fund Balance- Provide Council with a copy of the adopted policy on the use of fund balance.

Response: The following is taken from the FY 11 budget book:

A fund balance represents a fund's total assets (what it owns) minus its liabilities (what it owes). Fund Balance is divided into two primary categories: **reserved**, which is the amount that is required by law to be spent for a specific use (for example, grants or Federal funds), and **unreserved**, which is the amount that is available to fund the following year's budget. Since a

large portion of revenue is received in the latter part of the calendar year when property taxes are paid, the amount that is unreserved must be sufficient to fund several months of operations to avoid cash flow problems at the beginning of the year. It should also be sufficient to pay for expenses due to emergencies such as hurricanes or other unforeseen events. Having an adequate unreserved fund balance decreases the City's need for short-term borrowing and is an indication of the City's financial health. For unreserved fund balance, the City Council has set a goal of 20% of the total fund balance.

Unreserved fund balance is further divided into **designated** and **undesignated** portions. Designated fund balance is that portion of the unreserved fund balance that represents the City Council's intended future use of resources and is restricted to a specific use, such as for Council Initiatives or the repayment of debt. The undesignated fund balance is the total unreserved minus the designated fund balance.

The City Council has set an Undesignated Fund Balance goal of 10% of the next year's budgeted expenditures less operating transfers. State Law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

Note 10 - Page 94 Community Development - Provide the status of the entitlement year budget for the last four years.

Response:
CD0801 2009 budget was closed.
CD0901 2010 budget is now closed.
CD1001 2011 budget is still active and has funds encumbered.
CD1101 This the budget for FY2012.

HUD regulations mandate that you cannot have more than 150% of your current entitlements unspent at one time.

Note 11 - Page 95 Community Development - Better explain the change in adopted FY/11 versus amended FY/11 budgets for each expenditure line.

Response: Community Development has the ability to spend revenue from more than one Grant at a time. However, from the City budget standpoint, they have only one budget open at a time. Therefore, when money is spent in 2011 but comes from the grant for 2010, the budget must be amended. Likewise, all money spent must meet one of the national goals of HUD. At the start of the year, the CD staff projects where money will be spent. During the year, experience and participation levels determine the actual "place" the money is spent. Also, the "standard labels" in the budget do not accurately show how CD grant money is spent. Comparing the adopted FY 11 budget to the amended FY 11 budget, show the following:

Line 1. Salaries and Benefits increased from $229,564 to $292,714. This increase is due to the closure of one year's grant that caused an unusual payroll allotment for the budget year. For FY 12, the salary and benefits have returned to $231,553.

Line 2. Insurance etc. decreased from $40,219 to $22,243. This decrease was due to moving more revenues to fund demos and rehabs in line 3.

Line 3. Utilities, Maintenance, Etc increased from $130,000 to $216,952. This increase was due to a larger than originally projected number of demos and small business loans, thereby needed more funds than originally programmed.

Line 4. Non-capital equipment etc. decreased from $362,165 to $230,039. This is the line that funds housing rehabs and affordable housing construction. Again, the reduction was due to lack of projected activity in these areas.

Total budget did not change.

Note 12 - Page 127 Streets Department - Line 6 Explain debt service change which increased from FY/11 at $227,044 to proposed FY/12 at $896,324.

Response: This is due to a change in the placement of the funds for debt payment between Streets and Storm water. Please see page 162, Storm water, line 7 which shows a generally corresponding decrease in the amount of debt service paid by Storm water.

Note 13 - General Question - Council approved a wage increase for the employees for FY/11. What was the cost by fund for FY 11 and the carry over cost for FY 12?

Response: For FY 11, the Council approved 1.5% wage increase for the full year for all eligible employees. Also, the Council approved an additional 1.5% effective January 1, 2011 to be dispersed to all eligible employees at the same flat dollar amount. The total cost of these 2 adjustments by fund is shown below:

General Fund	$385,215
Water/Sewer Fund	$ 80,957
Solid Waste Fund	$ 37,118
Stormwater Fund	$ 11,794
Internal Service	$ 32,774
Grants	$ 16,214
FY11 total	$570,073

FY 12 Impact: All increases approved for FY11 must be budgeted for a full year for FY12. Therefore, the impact on the FY12 budget is $858,958. The impact by fund is shown below:

Fund	FY11	FY 12
General	$385,215	$ 579,012
Water/Sewer	$ 80,957	$ 123,467
Solid Waste	$ 37,118	$ 58,118
Stormwater	$ 17,794	$ 27,394
SVC*	$ 32,774	$ 47,552
Grants	$ 16,214	$ 23,414
Total all funds	$570,073	$858,958

SVC is the internal service fund.

Note 14 - General Question - For FY/12, please show the budgeted amounts for wages and benefits by fund.

Response:

FY 2012 Proposed Salaries and Benefits

	General Fund	Water/Sewer	Solid Waste	Stormwater	Int Svc	Grants	Sep Allow	Totals
Total Salaries	16,013,041	3,083,388	1,181,843	771,496	1,327,008	745,069	183,659	23,305,504
FICA	1,261,896	242,782	97,019	61,976	101,884	57,767	16,341	1,839,665
Health Insurance	2,201,791	490,188	254,880	146,555	167,634	103,418		3,364,466
Worker's compensation	513,742	98,695	75,048	47,618	18,202	20,741		774,046
Life Insurance	29,031	5,759	2,480	1,935	2,356	1,794		43,355
Dental Insurance	112,900	24,576	13,120	7,653	8,626	5,324		172,199
NC Retirement	1,126,928	220,877	88,268	56,379	92,360	52,483		1,637,295
457 Employer Match	254,908	61,080	15,000	14,000	25,300	16,712		387,000
401k Contribution non-law	215,543	63,472	25,364	16,369	26,541	9,611		356,900
401k Supplemental Police	260,962					11,882		272,844
Fireman's Pension	3,000							3,000
Car Allowance	20,400							20,400
Clothing Allowance	28,000							28,000
Internet Allowance					4,800			4,800
Moving Expense	15,000							15,000
Ttl Salaries & Benefits	22,057,142	4,290,817	1,753,022	1,123,981	1,774,711	1,024,801	200,000	32,224,474
	47%	**16 %**	**30%**	**33%**	**N/A**	**N/A**	**N/A**	

Note 15 - Page 147 Water & Sewer Services - Provide a five-year historical review of the fund balance in the Water and Sewer fund.

Response:

5 Year Fund Balance Comparison for Water/Sewer Fund

Appropriated Fund Balance Budget vs. Actual

	Adopted Budget	Amount Spent	Additions to Net Assets	Unrestricted Net Assets	Total Net Assets	
2007	4,725,700	0	(1,301,795)	3,269,555	51,244,974	
2008	1,422,940	0	(1,480,951)	(392,099)	52,725,925	
2009	2,740,906	0	(5,461,785)	(11,629,041)	58,187,710	
2010	2,114,794	0	(7,083,137)	20,322,976	65,270,847	
2011	(884,753)	0	(11,574,684)		76,845,531	**Projected**
2012	2,002,641					**Proposed**

Note that the Total Net Assets in an Enterprise Fund includes the fixed assets net of depreciation and related debt.

Note 16 - General Request - List all CIP items and prioritized those items by funding source. (Attached)

Note 17 - General Request - Revenues - How much revenue is generated from each cent of property tax for the general fund.

Response: One Cent of property tax produces $331,948 which is the legal limit we can fund assuming a collection rate of 96.08%.

Note 18 - General Request - Provide a list of all major equipment proposed in the FY/12 budget.
(Attached)

Note 3

POSITIONS REQUESTED FOR FY 2011-2012
(FULL & PART TIME POSITIONS)

		Full-Time	Part-Time	Seasonal	
Police					
Public Safety	Police Officer	5		0.46	
	Telecommunicator I	2			
Fire					
Administrative	Fire Equipment Tech	1			(Status change SE to FT)*
Recreation and Parks					
Athletics	Recreation Specialist		0.75		(Status change SE to RP)*
Centers	Rec Program Assistant		0.75		(Status change SE to RP)*
	Rec Program Assistant		0.75		
Utilities Maintenance	Maintenance Worker I	1			
	I & I Technician	1			
	Instrumentation Specialist, (SCADA)	1			
Wastewater Treatment	Plant Operator I	1			
	Equipment Operator	1			
Fleet	Small Engine Mechanic	1			
Media/Cable	Media Specialist		0.63		
	Media Specialist			0.38	
TOTAL POSTIONS REQUESTED		**14**	**2.9**	**0.84**	

* FT = Full time employee
* RP = Regular Part time employee with benefits
* SE = Seasonal employee with no benefits

Note 4

TRANSIT
FY 2011-2012 PROPOSED BUDGET

FUNDING SOURCES:	ACTUAL FY10	ADOPTED FY11	AMEND BGT FY11	FY 2012 PROPOSED	% CHANGE
General Fund Revenue	**200,568**	**301,453**	**301,453**	**286,224**	**-5.1%**
Charges For Service:					
Fares	115,932	119,520	119,520	100,284	**-16.1%**
Subtotal Charges For Service:	**115,932**	**119,520**	**119,520**	**100,284**	**-16.1%**
Grants:					
NCDOT SMAP	143,886	209,895	239,079	242,818	**1.6%**
FTA Section 5307	363,286	1,177,754	1,177,754	1,125,941	**-4.4%**
ARRA	526,078	453,000	-	-	
Total Grants Requested:	**1,033,250**	**1,840,649**	**1,416,833**	**1,368,759**	**-3.4%**
Miscellaneous	6,257	-	40	-	**-100.0%**
TOTAL FUNDING SOURCES	**1,356,007**	**2,261,622**	**1,837,846**	**1,755,267**	**-4.5%**

EXPENDITURES:	ACTUAL FY10	ADOPTED FY11	AMEND BGT FY11	FY 2012 PROPOSED*	% CHANGE
Operations:					
1) Salaries and benefits	51,688	174,278	174,278	126,230	-27.6%
2) Insurance, Contracts, Training, Fleet Chrgs, Supplies	184,214	315,536	278,576	297,887	6.9%
3) Utilities, Maint, Prof Svcs, ITS/Video Media Charges	511,096	528,752	516,760	556,400	7.7%
4) Non-Capital Equipment, Technology and Software	2,734	1,750	1,750	1,750	0.0%
5) Capital Outlay	568,881	1,241,306	866,482	773,000	-10.8%
6) Other Financing Uses	37,394	-	-	-	
Total Operations Expenditures:	**1,356,007**	**2,261,622**	**1,837,846**	**1,755,267**	**-4.5%**
CAPITAL IMPROVEMENTS PROJECTS:					
1) Multimodal Transportation Center - TR1202 *($5,016,000)*					
Total Capital Improvement Projects Expenditures:**					
CAPITAL PROJECTS:					
1) City Transportation Project - TR0602 *($1,216,752)*					
2) 2009 Transportation Project - TR0802 *($2,716,908)*					
3) 2010 Transportation Project - TR1001 *($1,716,264)*					
4) Transit Project-ARRA Fund - TR1002 *($1,527,492)*					
5) 2011 Transit Project - TR1101 *($1,821,162)*					
6) 2012 Transit Project - TR1201 *($1,755,267)*					
Total Capital Projects Expenditures:					
TOTAL EXPENDITURES	**1,356,007**	**2,261,622**	**1,837,846**	**1,755,267**	**-4.5%**

**FY2012 proposed expenditures do not include the cost of the requests identified in the Department Issues category.*

***Includes cash funding and debt service payments for the fiscal year.*

City of Jacksonville

City Manager's Office

Memorandum

To: Mayor & City Council
From: Richard L. Woodruff, City Manager
Date: May 4, 2011
Re: FY 12 Capital Improvement Program -- Management Priority

As part of the budget process, City Council has received the proposed Capital Improvement Plan for FY 12 through FY 16. During the discussions of the proposed CIP, Council asked the senior management to prioritize the CIP items especially those proposed for funding by the General Fund.

Each year, the proposed CIP is prepared to identify major projects proposed for each of the operational departments of City Government and are divided by funding source. These include:

General Fund
Water and Sewer Fund
Storm Water Fund
Powell Bill, grants and others

As requested by the Mayor and Council, the Senior Management proposes the following priority of the CIP projects for each fund:

FY 12 CIP
General Fund

Priority	Capital Project	Cost
1	Police/Fire Facility	$12,638,892
2	Radio System Upgrade	$2,000,000
3	I.T.S.	$7,477,777
4	Jack Amyette Park	$300,000
5	NE Creek Park Phase I	$70,000
6	Wooten Park	$111,500
7	Playground Surfaces	$65,000
8	New Bridge Streetscape	$127,000
9	Fire Station #2	$1,401,000
10	Gateways Mediums	$50,000
11	Jacksonville Commons Phase II	$315,973
12	Firing Range Improvements	$258,897
13	Richard Ray Park Phase II	$36,250
14	Fleet Complex Phase II	$1,005,000
15	Fire Station #5 Site	$240,000
	Additional Projects	
A	Bridge Area Land Purchase	$1,300,000
B	Downtown Parking Lot	$500,000 est.

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FY 12 CIP

Priority	Capital Project	Cost	Funding Source
Powell Bill			
1	FY 12 Streets	$779,000	Powell Bill
2	NCDOT Pedestrian Improvements	$1,079,711	NCDOT/Powell Bill
3	Hargett St. Pedestrian Improvement	$171,000	Powell Bill
4	FY 12 Sidewalks	$118,000	Powell Bill
5	Gateway Medians	$50,000	NCDOT
Stormwater			
1	Parkwood Area Stormwater Project	$269,000	Bond/Stormwater
2	Downtown Central Stormwater Phase I	$70,000	Stormwater
3	Brynn Marr Stormwater Project	$299,000	Loan/Stormwater
4	Country Club/Sandy Run Stormwater Project	$160,300	Loan/Stormwater
5	Chaney Creek Bioremediation Phase II	$20,000	Grant/Stormwater
Grants			
1	NC 24 Lejeune Boulevard Trail	$638,900	Grant/Reserve
2	Sturgeon City Phase IV	$200,000	Grant/Reserve
3	Carolina Forest Park	$659,965	Grant/Reserve

Sewer Fund

Priority	Capital Project	Cost
1	SCADA for Wastewater Lift Stations	$944,000
2	Henderson Lift Station Upgrade	$1,515,000
3	SW Regional Lift Station	$1,145,000
4	Piney Green Rd Sewer Infrastructure Improvements	$1,309,350
5	Parkwood Regional Lift Station and Forcemain	$618,000
6	Memorial Lift Station Replacement	$119,000
7	Canterbury Lift Station Replacement	$57,000
8	Warlick & Koonce Cir Sewer Replacement	$490,000
9	College Street Sewer Replacement	$119,000
10	WW Collection Sys Imp – Main Outfall F1	$332,000

FY 12 CIP
Water Fund

Priority	Capital Project	Cost
1	Piney Green/Hwy 17 Water Service Area	$290,000
2	Zack Circle/Hargett St Water Line Replacement	$862,000

We look forward further discussions regarding the CIP.

Note 18

	Capital Outlay	Net Impact on the Budget
FINANCE		
HTE P/I MODIFICATION FOR SALES TAX	9,200	9,200
Total Capital Requested	9,200	9,200
POLICE		
REPLACE (6) DODGE CHARGERS	139,086	40,932
REPLACE (3) FULL SIZE SUV'S	101,988	30,009
INSTALLATION AND MARKING OF NEW VEHICLES	20,000	20,000
(NEW) AVL RECOMMENDATION SOFTWARE	12,000	3,531
(NEW) IAPRO WITH BLUE TEAM SOFTWARE	16,000	4,708
Total Capital Requested	289,074	99,180
FIRE		
REPLACE ROOF ON FIRE STATION #3	48,248	48,248
REPLACE THERMAL IMAGING CAMERA	12,000	3,531
REPLACE SQUAD 1	426,006	79,392
REPLACE SQUAD 5	154,506	28,795
EQUIPMENT TO OUTFIT TRUCK	6,500	6,500
MEDICAL BAG AND SUPPLIES	425	425
REPL 150 HP 4-STROKE MOTOR - BOAT 1	15,000	2,796
EQUIP TO OUTFIT FIRE ENGINE 1 DUE AUG 2011	52,825	52,825
(NEW) FULL SIZE CREW CAB TRUCK	35,026	6,528
(NEW) ICE MACHINE	5,500	5,500
ENTRY DOOR ACCESS TO FIRE STATION #3	7,000	7,000
DIGITAL VEHICLE REPEATER	10,000	10,000
Total Capital Requested	773,036	251,540
FACILITIES MAINTENANCE		
HD 9X18 FT TANDEM AXLE UTILITY TRAILER	2,787	2,787
Total Capital Requested	2,787	2,787
STREETS		
DUAL WHEEL, 4X4 CREW CAB PICK UP TRUCK #706	35,026	6,528
ASPHALT DISTRIBUTOR-TRAILER MOUNTED 150 GAL	9,791	1,825
Total Capital Requested	44,817	8,353
RECREATION & PARKS		
REPLACEMENT GOALS FOR GYM (6)	40,000	7,454
REPLACEMENT TREADMILLS (2)	16,000	2,982
3/4 TON CREW CAB REPLACEMENT FOR VEH #906	30,906	
FLAT BED 1 TON DUMP TRUCK- VEH #910	37,086	6,912
60" Z-TRACK-REPLACEMENT FOR MOWER #938	9,500	1,770
1 TON FLAT BED TRUCK (USED)	37,086	6,912
3/4 TON CREW CAB TRUCK (USED)	30,906	5,760
72" REEL MOWER	23,500	4,380
BUNKER & FIELD RAKE	11,500	2,143
Total Capital Requested	236,484	38,313
Total Capital Requested-General fund	**1,355,398**	**409,373**
PUBLIC UTILITIES ADMINISTRATION		
REPLACE VEHICLE #580	21,121	3,937
Total Capital Requested	21,121	3,937
PUBLIC UTILITIES ENGINEERING		
REPLACE VEHICLE #569	19,576	3,937
INFOWATER SUITE 7.0	17,000	5,002
Total Capital Requested	36,576	8,939

	Outlay	on the Budget
WATER SUPPLY		
REPLACE TRUCK #854	26,786	4,992
Total Capital Requested	26,786	4,992
METERING		
REPLACE PICK UP TRUCK #870	29,876	5,568
FC 300 HANDHELD METER READER	5,600	5,600
Total Capital Requested	35,476	11,168
LINES MAINTENANCE		
REPLACEMENT VEHICLE #800 3/4 TON CAB TRUCK	28,846	5,376
REPLACEMENT VEHICLE #824 3/4 TON CAB TRUCK	29,876	5,568
REPLACEMENT VEHICLE #810 JCB BACKHOE	85,000	15,841
NEW F450 FLATBED DUAL WHEEL TRUCK	42,236	7,871
NEW MINI EXCAVATOR AND TRANSPORT TRAILER	48,000	8,946
NEW SINGLE AXLE DUMP TRUCK	85,496	15,933
(2) 8" SEWER BYPASS PUMPS AND PIPING	150,000	150,000
Total Capital Requested	469,454	209,535
WASTE WATER		
REPLACEMENT FOR #163	22,326	3,884
REPLACEMENT FOR #169	12,500	2,330
LARGE SCALE PIPE REPAIR EQUIPMENT	45,000	8,386
Total Capital Requested	79,826	14,600
Total Capital Requested-Water/Sewer fund	**669,239**	**253,171**
SOLID WASTE		
AUTOMATED REFUSE COLLECTION VEH	241,006	44,915
KNUCKLEBOOM/GRAPPLE VEHICLE	126,006	23,483
Total Capital Requested-Solid Waste	367,012	68,398
WATER QUALITY		
EQUIPMENT FOR CWSRF FUNDED PROJECTS	10,000	10,000
Total Capital Requested	10,000	10,000
DRAINAGE		
PRESSURE WASHER SYSTEM FOR #764	4,000	4,000
STREET SWEEPER #702	172,006	32,056
PICK UP TRUCK #719	21,636	4,032
Total Capital Requested	197,642	40,088
Total Capital Requested-Stormwater	**207,642**	**50,088**
ITS DEPARTMENT		
NETWORK LIFECYCLE	100,000	29,426
LIFECYCLE SERVERS	20,000	-
Total Capital Requested-ITS	**120,000**	**29,426**
VIDEO MEDIA SERVICES		
COMPIX MEDIA (Lower Thirds Machine)	20,000	5,885
Total Capital Requested-Video Media	**20,000**	**5,885**
GRAND TOTAL ALL FUNDS	**2,372,279**	**747,943**
Total Capital Requested		

Note: Does not include project or grant related capital items.

Exhibit "B"

Jacksonville City Council

Special Workshop Meeting
May 16, 2011

Budget Review

Resumption

Schedule

Mon, May 2,	Budget Workshop	5-8PM
Tues, May3	Budget Workshop	5-7PM
Mon, May 16	Budget Workshop	5-8PM
Tues, May 17	Budget Public Hearing	7PM
May & June	Additional Workshops as Desired	
No later than June 30	Budget Adoption	

Utilities Maintenance

Inspect, operate and maintain water and sewer utility collection and distribution systems.

Water & Sewer Services

Operate drinking water system as well as the operation and maintenance of the Land Treatment Site.

Water & Sewer Services

Revenues	Amended FY11	Proposed FY12
Water & Sewer Revenue		
Fees		
Property Lease		
Debt Proceeds		
Totals	15,494,389	16,462,927

Water & Sewer Services

Expenditures	Amended FY11	Proposed FY12
Operations	15,494,389	16,362,927
Capital Improvement Projects		100,000
Totals	15,494,389	16,462,927

Water & Sewer Services
Comments

- **Rates**: Reflect implementation in 1998
- **Sludge** Removal Services: Increase by $300,000
- Increase: $45,000 for **Large Pipe Repair** equipment
- Projected: **Electrical** for **Water Plant**: $250,000

Wastewater Treatment
Issues

- Requested **Posi-track vehicle with Hydraulic Mowing Deck**
- Requested: **Plant Operator I**
- Requested: **Equipment Operator I**

Water & Sewer Services

Staffing	Amended FY11	Proposed FY12
Full Time	29	29
Part Time	1	1
Totals	30	30

Sanitation

Responsible for refuse, yard waste, recycling and special pickups for about 12,000 residential households and to monitor 800 commercial collections.

Sanitation

Revenues	Amended FY11	Proposed FY12
State Solid Waste Disposal Tax		
Fees		
Debt Proceeds		
Appropriated Fund Balance		
Totals	5,939,228	5,864,643

Sanitation

Expenditures	Amended FY11	Proposed FY12
Operations		
Totals	5,939,228	5,864,643

Sanitation
Comment

Funding: FY11 Relied on Fund Balance, FY12 will require General Fund

Sanitation
Issues

- In House study of automated collection for yard waste

Sanitation

Staffing	Amended FY11	Proposed FY12
Full Time	41	41
Totals	30	30

Water Quality

Responsible for implementing control measures mandated by the US EPA as part of the NPDES stormwater program.

Water Quality

Revenues	Amended FY11	Proposed FY12
Stormwater Revenue		
Debt Proceeds		
Totals	1,553,346	1,184,068

Water Quality

Expenditures	Amended FY11	Proposed FY12
Operations		
Capital Improvement Project		
Downtown Central Stormwater		
Totals	1,553,346	1,184,068

Information Technology Services

Serves as consultant in the management and use of information technology.

Information Technology Services

Revenues	Amended FY11	Proposed FY12
Charges to other funds		
Debt Proceeds		
Totals	3,049,775	2,972,916

Information Technology Services

Expenditures	Amended FY11	Proposed FY12
Operations		
Capital Improvement Project		
AS400 Life Cycle		
Totals	3,049,775	2,972,916

Information Technology Services
Comments

This is an Internal Service Fund

Some department specific contracts now reflected in those budgets

Information Technology Services
Issue

- Cisco Call Center Upgrade

Video Media Services

Provides corporate & specialized services through the web, social media, print and the Jacksonville-Onslow Government Television Channel

Video Media Services

Revenues	Amended FY11	Proposed FY12
Charges to other funds		
Charges to other Governments	59,600	64,000
Totals	856,882	548,525

Video Media Services

Expenditures	Amended FY11	Proposed FY12
Operations		
Equipment maintenance, placements		
Totals	856,882	548,525

Video Media Services
Comments

- This is an Internal Service Fund
- Design services have significantly increased
- Charges for government services to increase slightly
- Additional funding included for utility inserts, additional printed materials
- Anticipate 289 events during FY12

Video Media Services
Issue

- Part Time Help for on demand services

Health Benefits

City's Benefits Programs: Health & Dental Insurance, Life Insurance, Vacation, Sick Leave, Holidays and other benefit related special events.

Health Benefits

Revenues	Amended FY11	Proposed FY12
General Fund & Water Sewer Revenue		
City Contributions		
Employee Contributions		
Totals	4,511,771	5,011,956

Video Media Services

Expenditures	Amended FY11	Proposed FY12
Operations		
Totals	4,511,771	5,011,956

Health Benefits
Comments

- Effective July 1, 2010 new hires no longer eligible for retiree health insurance coverage
- Employees now share higher percentage of higher benefits

Health Benefit
Issue

- Anticipate 6% increase

Department Issues

Discussion

Community Programs

Funding for Intern Program	15,000

Human Resources

Online Benefit Enrollment Application	19,335
Interview Manager Software	2,725

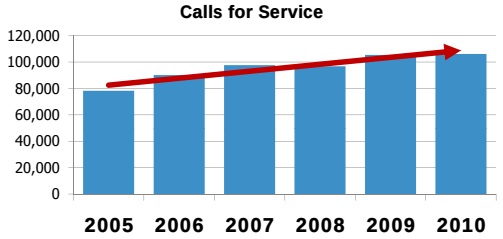
Fleet Maintenance

Small Engine Mechanic	42,033

Police

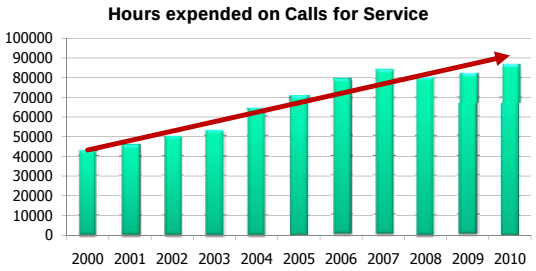
Five police officers & equipment	409,825
Police Service Officer	30,551
Two Telecommunicators	80,648

Police Department Issues

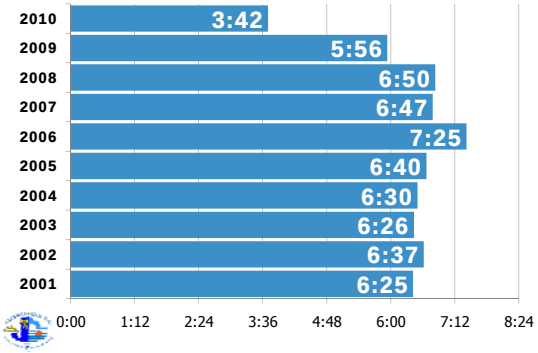


- Growth
- 26 % increase Calls for Service in the past 5 years

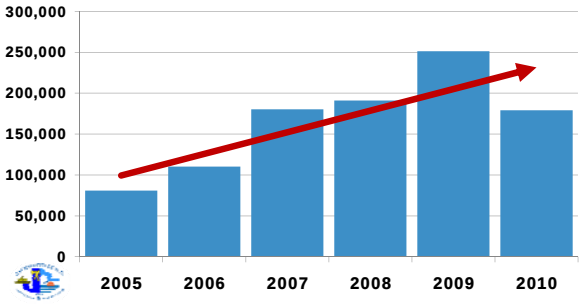
Total Hours Handling Calls



Priority One Response Times



Communication Division Total Calls



Benchmarking with other Cities

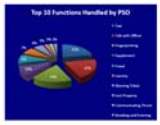
City or Town	Population	FTE	All Calls	Total E-911 Calls	Total Dispatches
*Jacksonville	81,873	14	179,130	64,376	110,159
Asheville	75,948	22	205,942	32,139	111,199
Burlington	47,692	14	157,638	23,375	82,297
Cary	122,333	20	235,845	41,516	127,396
Concord	68,249	21	157,014	31,074	101,130
High Point	95,638	30	244,102	86,853	157,480
*Onslow	95,127	21	243,476	60,423	83,702

* Data from 2010. Other data from 2006-07 UNC School of Government benchmarking project

UNC SCHOOL OF GOVERNMENT

- Project included 12 sites in 2006-2007
- Average number of calls per telecommunicator is 10,246
- Based upon this estimate, the City of Jacksonville should have 17.48 Telecommunicators

Call Reduction Strategies



Differential Police Response

DIFFERENTIAL POLICE RESPONSE (DPR)
TYPE OF INCIDENT / TIME OF OCCURRENCE

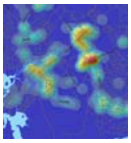
	MAJOR						POTENTIAL						MINOR												ALARMS			
	PERSONS CRIME OR PERSONAL INJURY			PROPERTY DAMAGE / LOSS			PERSONAL INJURY			PROPERTY DAMAGE / LOSS			PERSONAL INJURY			PROPERTY DAMAGE / LOSS			OTHER MINOR CRIME			OTHER MINO NON-CRIME			INTRUSION			
	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	IN-PROGRESS	JUST OCCURRED	COLD	HANG-UP/HOLD-UP	FIRE/FIELD	NON-VERIFIED	SUSPICIOUS
IMMEDIATE	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
EXPEDITE					●				●	●				●													●	●
ROUTINE						●					●						●		●			●						
IN-SERVICE											●								●	●		●	●					
DESK / TELEPHONE REPORTING UNIT																												
INTERNET REPORTING												●			●			●		●	●			●				

Reactive Policing vs. Proactive Policing

73

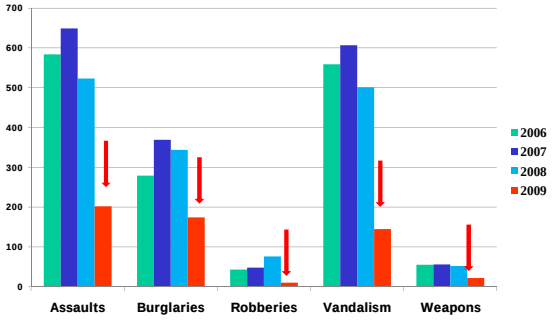
Why be proactive

- Crime prevention is proactive.



- Law enforcement's ability to *prevent* crimes relies in part on their ability to *predict* crime.

Weed and Seed Crime Statistics 2006-2009



Implementing Proactive Policing strategies gives us the opportunity to:

- Identify Problems
- Analyze Problems
- Develop long-term solutions to problems
- Evaluate progress and adjust as necessary

Growth = Challenges

Increased call volumes

- Population/annexation increases have escalated citizen calls for police service
- Police presence can become reactive and not preventative
- Strain upon existing resources
- Quality of service impacts
- Difficult to focus upon specific crimes
- Reduction in time for investigations
- Less time for community policing efforts

JACKSONVILLE N.C.
a Caring Community
HOME OF
CAMP LEJEUNE MCAS NEW RIVER

Fire

Fire Equipment Technician Full Time	20,085

Currently, 1.25 people are Responsible for:

- Maintenance of **2,500** pieces of equipment (to regulatory and operational standards)
- Readiness of emergency equipment /availability
- Monthly work orders - average **175 outstanding** orders (20 pages)

Training/Certifications Needed Include:

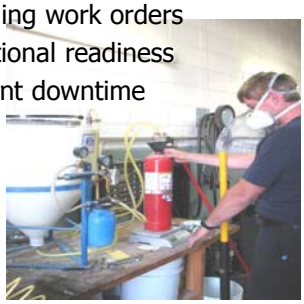
- Breathing Apparatus maintenance
- Fire Extinguisher maintenance
- Fire Hose & Appliance repair
- Radio maintenance & testing

Training/Certifications Needed Include:

- Breathing Air testing & Compressor maintenance
- Life Safety equipment maintenance
- Powered & hydraulic equipment maintenance
- Instrumentation maintenance/repair

Cost Breakdown

Proposed	Current	Difference
Sal= $29,222	Sal=$ 8,230	
Ben=$14,093	OT=$15,000	
$43,315	- $23,230	= $20,085

Benefits of position reclassification

- Reduced outstanding work orders
- Regulatory/operational readiness
- Reduced equipment downtime