

**CITY OF BELLEVIEW
WORKSHOP MEETING
MINUTES**

**BELLEVIEW CITY HALL
COMMISSION CHAMBERS**

July 11, 2005

Mayor STEVE BAIRSTOW
Seat 1 EMERY ABSHIER
Seat 2 KENNETH R. NADEAU
Seat 3 PAULA CHAFFIN
Seat 4 PAUL B. ANDERSON

PRESENT: MAYOR BAIRSTOW; COMMISSIONERS: ABSHIER, ANDERSON,
CHAFFIN, NADEAU; INFORMATION TECH. TOWNE; PW DIRECTOR
MONROE; CHIEF STRICKLAND; CITY CLERK/ADMINISTRATOR
McKAMEY

BUDGET WORKSHOP

Mayor Bairstow opened the workshop and handed the meeting over to Clerk McKamey.

The budget proposed for General Fund was based on the current millage rate of 4.4139. The Clerk faxed information sheet to everyone showing proposed revenue increase recommendations and capital outlay requests. The City budgeted a 0-3% Merit increase for general employees, and anticipated Social Security COLA was proposed at 3.2% as it appears to be headed in that direction. This was done in accordance with the policy established at last year's budget meetings.

The budget for the contract employees was a 2% Merit and 2% COLA on their anniversary date. Gas and oil went up tremendously, in particular in the PD, Roads and Streets, and W&S, there were also increases in liability insurance; and money was budgeted for this year's election, which we did not had to do last year. The Clerk stated that she broke out salaries for new employees using new line items and their request included all benefits and office set-up as well. The Clerk stated she did this for ease in budgeting and tried to make it easier this year.

The General Fund budget was short \$165,172 of being balanced. Recommendations were made for the following revenue increases: PD cost recovery program estimated to bring in \$70,000 each year. There was also a recommended increase of 1% to CST and some development fee increases. The total revenue recommendation increases came to \$112,886.

Personnel additions were requested in every department. A Land Development Coordinator was recommended to ease in both the PW and Administration areas. A recommendation was made to increase the PT Finance Clerk from 20 to 30 hours per week. The Police Department requested an entry level officer and also increasing the hours of the part time Record Data Specialist from 20 to 25 hours per week. Public Works recommended an additional Maintenance Worker to be Split 50/50 in Streets and P/R. Most of the recommendations were coming forward from last year's budget.

Capital outlay request were: Administration, \$10,000 changes to back building for increased office space and some tile flooring for BCH; Information Technology had some requests which

will be reviewed by IT Coordinator Towne; Street Department request as well as park and recreation will be review by PWD.

Pg. 25 show additional requests for capital outlay that come from already existing designated accounts in fund balance. Money in fund balance for repair and maintenance of City Hall came to \$6,566 which would offset the cost the tiles for the City Hall building. The anticipated cost of the project was \$15,000 of which half was budgeted in General Fund, with the other half coming from Water and Sewer. Computers for Administration, IT Dept and Street Dept are also listed on the page with the designated reserves.

The Street Dept had budgeted a dump truck for \$50,000: \$25,000 had been budgeted in W&S; \$20,000 already in designated account for the dump truck and \$5,000 was under the Street Department expenditure request for Capital Outlay.

Park/Recreation: Fencing at sports complex - money was set aside from the per player fee of \$5.00 and concession stand for improvements at ballpark and staff recommend these funds be used for the fencing which would come to approximately \$34,933.

Page 27, number of projects coming forward from gas tax and were designated; \$10,000 for the PW Complex and road projects that were not completed i.e. Baseline Water Main repair; Water Main Relocate on 110th St; Baseline Extension plus total capital outlay comes to \$542,280.

Commissioner Anderson stated he would like to review first statement about the percentage of pay increase. The Clerk stated that the budget for the General employees was 0-3% Merit and the S.S. COLA as of January 1st; with the anticipate SS increase to be approximately 3.2%. Contract employees carry forward from last year which was 2% Merit and 2% COLA on their anniversary date.

Commissioner Abshier asked IT Coordinator Towne to explain the Laser Fiche web link. Mr. Towne stated that the Laser Fiche has multiple modules that could be added on to take the City forward. That was a combined cost, for hardware and software because you have to have one to go with the other. Laser Fiche would allow the City to share information with the citizens. Clerk McKamey stated it also makes the information interactive. Mr. Towne stated it takes our web off of Atlantic.net, and citizens could access it and it would be interactive.

Commissioner Abshier asked how do citizens now get copies of records and the Clerk stated the City provides paper copies at a cost \$0.15 cents per copy after the first three pages; tape copy are \$5.00 tape.

Commissioner Abshier stated this was a good additional service for the citizens, but we can't afford it at this time. Commissioner Abshier asked if there was a fund balance from last year in IT and the Clerk stated that was used to upgrade the computers this year.

Commissioner Anderson stated that when he visited North Carolina with the IT Coordinator, they were told that you need to replace your computers every 4 years. Doesn't the City have several computers in City Hall that need to be replaced this year? Mr. Towne stated several computers have had problems and we are having issues with some of the equipment.

Commissioner Abshier asked the Commission what they thought about the Laser Fiche. Commissioner Anderson stated that he doesn't see it now and not sure if the City needs an interactive website. Commissioner Abshier asked how many hits have we had on our website and Mr. Towne stated 2617 since implementation which was a little over a year ago.

Commissioner Abshier stated 100 hits were probably his. Mr. Towne explained that the link the Deputy City Clerk sends to the Commission takes them around that home page on the website, so they would not count.

Mayor Bairstow asked if the \$42,400 was just for upgrades to the website and Mr. Towne stated that would be for more than just upgrading. The Mayor stated the impression given was if we spend \$42,400 we would have a better website. Mr. Towne stated that \$24,335 was to upgrade the website; DOD portion was \$18,393. This upgrade would also create less work to upload the Agenda to the website by having it in-house. The data would be duplicated so the original data would be saved and the original data would not be published out to citizens. This would also allow for online payments to be developed and a complaint tracking system would be accessible for the citizens. This would be the infrastructure to set up to do some of these things.

Commissioner Anderson stated that he felt the City should start with the firewall. The Commissioner stated he would like to fund some of the money this year and then more next year to build your process and protect what we have.

Mayor Bairstow asked what would be the cost savings to eliminate the Gainesville intervention. Mr. Towne stated we pay \$19.95/month for that website space. There were problems of getting the data up to the Gainesville website and doing it securely.

Mayor asked Commissioner Abshier if he was opposed to the \$42,400 and the Commissioner stated he could not see the need for either one today, but maybe in the future.

Commissioner Chaffin entered the meeting at this time and Mayor Bairstow turned the meeting over to Commissioner Chaffin.

Commissioner Chaffin stated we need to see what money we have to deal with in order to do our budget and decide what revenues we want before we discuss expenses. The Commissioner stated she would like to discuss the additional revenues first.

Police Department Cost Recovery Policy: Commissioner Chaffin asked what the Police Department Cost Recovery Policy was about and Chief Strickland stated it was a program where we hire a company to send the bills to the insurance company for working accidents. In the past the Police Department went out and got the information for the insurance companies and decided who was at fault in accidents. From figuring our accidents from last year of 363 accidents, not private property accidents, we determined the costs came to \$7,752 for our time and efforts to collect the information.

An accident reconstruction officer spends 120 hours for a traffic fatality and that represents \$3,420 more in costs to the department. We charge the insurance companies; we do not charge

the citizens. If the insurance company chooses not to pay; we do not go after the citizens. The company's representative would come and do a presentation for the Commission. Their company also charges the insurance company for billing. We have to send our accident reports on a monthly basis adopt an Ordinance and sign a contract. Chief Strickland stated that he had a boilerplate contract and he has an Ordinance on his computer as well. They estimate \$70,000 for additional revenues for the City for the number of on street/traffic accidents, not the private property accidents the PD worked last year. The Chief stated that their fee was between 7-15% for each accident.

Commissioner Abshier asked why police reports would be part of the arrangements; why not send total number of man hours. Chief Strickland stated that you send a log of hours taken from the accident reports and they use some of the information from the accident reports in order to bill the insurance companies.

Commissioner Abshier stated that there was an industry that can make money from selling accident reports. The Commissioner stated he would not want that or the City should receive additional revenue if they are selling our reports. The Chief stated that the insurance companies pay so that they do not have to send someone out to investigate.

Commissioner Abshier stated insurance companies would not rely on your officers' reports to refrain from sending their adjuster out to view a site. They indicate that this would not increase insurance premiums because it is only a fraction of the premium. The Commissioner stated looking at our figures of \$70,000 x 500 cities comes to \$35 million dollars so it might have something to do with the rates. Commissioner Abshier would like to review the contract first.

Commissioner Anderson stated he would like to try it and see how it works, but doesn't think the City should budget \$70,000 as revenue; make it \$0 at this time. Commissioner Abshier stated he would keep it in the budget, but he still wanted to read the agreement before making a decision.

Mayor Bairstow stated he agreed with Commissioner Anderson not to budget it, put \$0. Commissioner Nadeau stated to budget something maybe \$7,000 to \$14,000 as a starting point. Commissioner Anderson stated \$0 for the first year until we see what the insurance companies do. Commissioner Chaffin stated until the Chief gets the contract, we go with the program, but put it at \$0, so the budget would be out \$70,000.

Communications Services Tax: The Clerk stated if the City increases the CST from 3% to 4% would generate approximately \$31,000 and it would be effective for only 9 months effective January 1, 2006. In this manner, the cost of running the City would be spread out to everyone. The Clerk stated the City did not have an increase last year, but Pg. 29 shows the CST income.

Mayor Bairstow asked how many months had been collected and the Clerk stated approximately 7 months. Commissioner Chaffin stated it would be an increase of \$31,000. Commissioner Anderson stated he was not in favor of the 1% increase because now it cost \$13.00 for a basic telephone and then \$9.00 for taxes. Commissioner Nadeau, Abshier and Mayor Bairstow stated to leave it in.

Commissioner Anderson asked how much the Clerk anticipated for this year and the Clerk stated \$120,000; we budget all state revenues (Pgs. 29 and 31) at 95%, not 100% per State Statutes.

Commissioner Anderson stated the City budgeted \$88,000 for fiscal year 03/04 and \$106,000 for fiscal year 05/06. The Clerk stated CST comes from an estimate provided by the state and we did an audit when we realized there was some discrepancy to make sure the information was correct.

Commissioner Abshier stated that he was not sure that this was a tax increase because it was broken out from different fees and various sources. The Clerk stated it took a couple of years to see what we would really get since the state figures were incorrect.

Commissioner Anderson stated \$63,000 for a 1% increase and the Clerk stated there was also growth figures included in that figure. This tax had not been increased in several years. The Commissioner asked if there was enough growth in the City to bring in \$63,000 and the Mayor stated that the figures appear to indicate that there was. The Mayor stated taking what was actually collected it appears to be right.

Development Fees:

The Clerk stated we adopted the development fees about 1 or 2 years ago. Now that we have looked at the fees since that time, she would recommend an increase in the fees especially for site plans and plat reviews. There are many pages to view and a lot of staff time involved and these fees more accurately reflect what it costs the City for the developers to come in.

Included is a \$350 fee for annexation. We presently have told people we don't charge for annexation; however, we do incur costs for staff time and for pulling everything together and advertising. Mayor Bairstow stated if we annex an individual into the City it costs \$350 and the Clerk stated that was correct. Commissioner Chaffin asked if size of the property matters, and the Clerk stated it does not.

Commissioner Anderson asked the Clerk to look at Frank's Fruit Show and change it's use from a fruit shop to whatever and tell me what it would cost; what about from residential to residential what would that cost. The Clerk stated there were no charges from residential to residential. The Commissioner asked what the taxes would run because an existing business should get some credit for already being here.

Mayor Bairstow stated that he would adopt whatever staff recommends. Commissioner Nadeau stated that he agreed because his property taxes would pay for this building to be here. It would pay for the basic level of service, but site plans and plat review and change of use were not a basic level of service.

Commissioner Anderson stated change of use cost \$150 what would he get in return and Commissioner Nadeau stated you would get staff time for review and for research. If he lives in his house and never asks for a use change then why should you get a service that he hadn't requested for the same amount of taxes?

The Clerk stated that the change of use review of the property from one use to another is done by staff. Zoning changes involved another process. Staff had to research the property and notify the property owners within 300' of each public hearing and create reports as to what the property was currently and how it would change.

The Clerk stated to change of use for Franks Fruit would cost \$200 with a resubmitted fee of \$50 per each resubmitted, and then \$100 site inspection fee. Commissioner Anderson stated if he added 50' to his building would that be new construction and the Clerk stated no, it would not because new construction was from the ground up new building on a lot.

Commissioner Chaffin and Abshier were in favor of the development fees.

Fines and Forfeitures: Commissioner Chaffin stated on Pg. 33 the recommendation was to go down \$41,000 for fines and forfeitures and asked why that was. For Fiscal year 04/05 it was \$116,000 and you want to bring it down to \$43,000. The Chief stated he did not ask for it to be brought down. It should be at least what it was this year, \$116,000.

Commissioner Chaffin stated that would increase your revenues by \$41,000.

Commissioner Nadeau stated you need to increase \$186,750 by \$41,000 that figure is the total off of the page of fines and forfeitures.

The Clerk stated that Pg. 3 was the history from last year and what we have received so far this year and a projection for next year; these figures will change as the budget was changed.

Commissioner Chaffin asked if there were any more revenue sources that anyone can recommend. The Clerk stated that there are some things such as utility taxes that could be disbursed to all users. It would be charged inside and outside accounts at the same rate. 1% assessment on W&S would bring in approximately \$14,000 per year. You can take utility taxes up to 10%. Occupational Licenses if increased by 5% would bring in an additional \$1,500.00 for the year. We have discussed many options with staff, but probably utility taxes would be the one thing we have not done any assessments as far as W&S.

Mayor Bairstow asked since the City operates an Enterprise Fund, would utility tax it be a revenue for w/s or the general fund and the Clerk stated it would be revenue for the General Fund because it is a tax. Most cities use the Enterprise Fund to offset the General Fund, and maybe in a couple of years the City could use that as an option.

Commissioner Chaffin stated that we are out \$194,000 and the staff has done a good job.

Commissioner Nadeau stated when looking at the projected budget, you can see that the revenues do not increase as fast as expenses. The Commissioner stated it concerns him that there were not any new sources of revenue to offset the running of the City. The Clerk stated that the

main point in showing the projection was that we can not continue to look only at the current year, but need to be more responsible and start looking down the road.

Commissioner Anderson asked in new development, what was the increase in revenue from last year. The Clerk stated from \$6 million dollars of new construction we received \$28,000 in revenues at the 100% not the 95%. That was some of the ramifications in budgeting close to the budget and just providing the basic services. It was reflected in the request for personnel and the capital outlay that was brought forward from last year because they are definite needs. The Commissioner asked what were other cities doing to generate revenues and the Clerk stated the utilities tax was one source. 10% on water and sewer would bring in \$130,000/year and a third of that would be from those outside city limits.

Commissioner Chaffin stated the City had not, until last year, raised taxes in 20 years so we need to play catch up because it had caught up to us. These capital outlay requests would help the citizens in the long run. Commissioner Anderson stated nickels and dimes would not do it.

Chief Strickland stated that he wanted to transfer a Sergeant into training which takes up about 75% of that person's time. They could work in the Crime Watch programs, and the Cost Recovery Program and all the special events that we have all year. We are currently using a Sergeant which takes away from their time to supervise and work with staff. Commissioner Chaffin asked how many detectives were there and the Chief stated one, but we now have a rotation system every four months.

Commissioner Abshier asked if the Lieutenant could do the training or if the Chief could. Chief Strickland stated that the Lieutenant had enough to do and the Chief stated he also does a lot of the training. Commissioner Abshier stated he would be more excited if the Chief was going to get someone full time for the street. Commissioner Anderson asked how you could get 2 ½ people for \$40,000. The Chief stated that there was an increase with the promotion, but the \$39,000 includes the benefits and salary for a new officer. Commissioner Anderson stated you want to hire a \$25,000 training officer who would be an instructor. The Chief stated that was correct.

Commissioner Anderson stated we need to look for more money before we look at expenses. The Clerk stated the utility tax could substantially increase revenues whether you increase gas and electric and/or added utility tax to your water and sewer bills.

Commissioner Chaffin stated does anyone like either of those proposals. Mayor Bairstow stated no; Commissioner Nadeau stated no, because we raise w/s each year, but possibly yes on the others. Commissioner Anderson stated yes for generating additional taxes on w/s. Commissioner Abshier asked if the w/s utility tax had to be the same and the Clerk stated she would check on that.

Commissioner Chaffin asked if the Commission wanted the Clerk to bring back more revenue options or look at the utility tax option. Commissioner Anderson stated how about a sales tax. The Clerk stated she did not think individual cities could charge sales tax, but would look into it.

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Commissioner Chaffin asked if the Commission wanted the Clerk to look into the utility tax and Mayor Bairstow voted no; Commissioner Nadeau, Anderson, Abshier, Chaffin voted yes

Commissioner Chaffin stated we would stop at this time and asked the Clerk to fax the information to everyone when she gets it.

Meeting adjourned 7:55 PM

ATTEST:

Sandi McKamey, CMC, CPM
City Clerk/Administrator