



MEMORANDUM

To: Mayor and City Councilors

From: Rich Olson, City Manager

Date: June 6, 2013

Re: Consideration – Hold a Public Hearing on the Fiscal Year 2013-2014 Budget Ordinance on June 10, 2013

BACKGROUND:

The City of Elizabeth City began the fiscal year 2013-2014 budget process on February 25, 2013 with a pre-budget work session. On April 15, 2013, I presented to the City Council the Manager's Recommended Budget pursuant to NCGS § 160A-147. The City Council discussed the FY 2013-2014 budget during four budget work sessions and the Finance Committee held an additional two meetings to discuss the budget and make recommendations to the full City Council.

Attached, you will find a copy of the FY 2013-2014 Budget Ordinance, which reflects the changes the City Council made to the Manager's Recommended Budget. The City is anticipating revenues in the General Fund of \$20,291,972, \$39,945,909 in the Electric Fund, \$9,370,137 in the Water and Sewer fund and finally \$1,421,506 in the Storm Water Utility Fund. The total amount of revenue reflected in the fiscal year 2013-2014 budget is \$71,029,524. This amount is reduced for inter-fund payments of \$1,950,000. The net amount of revenue anticipated is \$69,079,524.

State law requires the City to have a balanced budget; therefore, the expenditures in the General Fund, Electric Fund, Water and Sewer Fund and Storm Water Fund reflect the available revenue. The net expenditures will be \$69,079,524.

The City's tax levy for fiscal year 2013-2014 will be \$.495 per \$100 of valuation, the same amount we presently levy. The valuation is estimated to be \$1,392,617,665. The Municipal Service District tax for properties located within the downtown district will continue to be \$.06 per \$100 of valuation. The City Council authorized a 1.5% COLA for all City employees, along with a 1% Christmas Bonus and continuation of our existing longevity bonus plan. The City Council did authorize staff to switch our health insurance coverage from the

North Carolina League of Municipalities to Blue Cross/Blue Shield. The Council increased the sanitation fee from \$17 per month to \$20 per month, which will raise an additional \$210,000 annually. The surcharge of \$.43 per 1,000 gallons of water used will continue. Finally, the City of Elizabeth City's fee schedule will be readopted.

ANALYSIS:

During the Finance Committee meeting held on June 5, 2013, a discussion was held regarding placing a line item in the budget, much like we do for Hopeline for Arts of the Albemarle in the amount of \$25,000. A member of the Finance Committee will be making such a motion after the public hearing. Furthermore, the Finance Committee recommends adoption of the Fiscal Year 2013-2014 budget ordinance with the inclusion of a line item for AoA.

STAFF RECOMMENDATION:

Recommend that the City Council:

1. HOLD a public hearing during the June 10, 2013 City Council meeting to receive comments from the public about the proposed budget ordinance; and
2. Following the public hearing, adopt the Fiscal Year 2013-2014 Budget Ordinance as presented herein.

RCO/vdw

FY 2013-2014 BUDGET

BE IT ORDAINED by the City Council of the City of Elizabeth City, North Carolina:

SECTION 1. It is estimated that the following revenues will be available for the City of Elizabeth City for the fiscal year beginning July 1, 2013 and ending June 30, 2014:

<u>General Fund</u>	
Current Year's Property Taxes	\$ 6,496,000
Delinquent Property Taxes	320,305
Franchise Taxes	1,311,000
Powell Bill Funds	496,000
Local Option Sales Tax	2,953,000
Investment Earnings	7,000
Licenses and Permits	610,000
Sales and Services	2,013,347
Payments in Lieu of Taxes and Services	1,950,000
Other Revenues	2,780,786
Fund Balance Appropriated	65,295
Fund Balance Appropriated - Powell Bill	1,289,239
TOTAL GENERAL FUND REVENUES	\$20,291,972
<u>Electric Fund</u>	
Energy Sales	\$38,555,128
Other Revenues	1,390,781
TOTAL ELECTRIC FUND REVENUES	\$39,945,909
<u>Water & Sewer Fund</u>	
Water Sales	\$ 4,545,000
Sewer Sales	2,632,354
Other Revenues	2,192,783
TOTAL WATER & SEWER FUND REVENUES	\$ 9,370,137
<u>Stormwater Utility Fund</u>	
Residential Revenue	\$ 200,000
Commercial Revenue	195,000
Other Revenues	1,026,506
TOTAL STORMWATER UTILITY FUND REVENUES	\$ 1,421,506
SUBTOTAL	\$71,029,524
LESS INTERFUND PAYMENTS	<1,950,000>
TOTAL	\$69,079,524

SECTION 2. The following amounts are hereby appropriated for the operation of the City of Elizabeth City and its activities for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

<u>General Fund</u>	
Legislative	\$ 121,715
Administrative	374,113
Finance	372,230
Tax	100,000
Legal	55,800
Planning	387,995
Public Building	252,057
Police	5,894,526
Fire	3,449,792
Fire Inspections	294,962
Inspections	421,576
Public Works	4,947,404
Parks and Recreation	2,751,949
Non-Departmental	638,398
Human Resources/Safety Liability	229,455
 TOTAL GENERAL FUND APPROPRIATIONS	 \$ 20,291,972
<u>Electric Fund</u>	
Information Technologies	\$ 298,977
Warehouse & Purchasing	178,305
Non-Departmental	34,409,848
Customer Service Department	577,267
Electric Distribution	3,088,060
Energy Management	1,393,452
 TOTAL ELECTRIC FUND APPROPRIATIONS	 \$ 39,945,909
<u>Water & Sewer Fund</u>	
Data Processing	\$ 124,213
Non-Departmental	1,984,896
Customer Service Department	502,956
Water Supply & Treatment	2,368,266
Wastewater Treatment	1,598,593
Water & Sewer Maintenance	2,791,213
 TOTAL WATER & SEWER FUND APPROPRIATIONS	 \$ 9,370,137
<u>Stormwater Utility Fund</u>	
Stormwater Utility	\$ 1,421,506
 TOTAL STORMWATER UTILITY FUND	 \$ 1,421,506
 SUBTOTAL	 \$ 71,029,524
 LESS INTERFUND PAYMENTS	 <1,950,000>
 TOTAL	 \$ 69,079,524

SECTION 3. There is hereby levied a tax at the rate of \$.495 per \$100 valuation of property as listed for taxes as of January 1, 2013 for the purpose of raising the revenue listed as "Current Year's Property Taxes" as set forth in the foregoing estimates of revenue and a motor vehicle fee of \$5.00 per vehicle.

The tax rate is based on an estimated total valuation of property for the purpose of taxation of \$1,392,617,665 and an estimated rate of collection of 94 percent.

SECTION 4. There is hereby levied a tax at the rate of \$.06 per \$100 valuation of property listed for taxes as January 1, 2013 located within the Municipal Service Tax District.

SECTION 5. That an increase of 1.5 percent cost of living adjustment be established for City payroll.

SECTION 6. That a Christmas bonus of 1 percent be given.

SECTION 7. That a longevity bonus plan be continued.

SECTION 8. That the health insurance coverage be authorized with Blue Cross & Blue Shield of North Carolina.

SECTION 9. That sanitation fee be increased to \$20 monthly.

SECTION 10. That a surcharge of \$.43/1,000 gallons of water usage be continued.

SECTION 11. That the City of Elizabeth City fee schedule be adopted by reference.

SECTION 12. The Budget Officer shall be authorized to reallocate departmental appropriations among the various expenditures within each department.

SECTION 13. Outstanding purchase orders and projects as of June 30, 2013, are hereby re-appropriated to this budget.

SECTION 14. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

ADOPTED this, the 10th day of June 2013.

Joseph W. Peel
Mayor

Dianne Pierce-Tamplen, MMC
City Clerk