



Minutes of the Roanoke Rapids City Council

A special meeting (Budget Work Session) of the City Council of the City of Roanoke Rapids was held on **Monday, June 8, 2020 at 5:15 p.m.** the Council Chambers at the Lloyd Andrews City Meeting Hall and electronically using Zoom software

Present: Emery G. Doughtie, Mayor
Carl Ferebee, Mayor Pro Tem
Ernest C. Bobbitt)
Sandra Bryant
Suetta S. Scarbrough)
Wayne Smith)

Council Members

Joseph Scherer, MPA, MS, City Manager
Traci Storey, City Clerk
Leigh Etheridge, Finance Director
Kathy Kearney, Deputy City Clerk/Human Resources Manager
Christina Caudle, Main Street Director
Bobby Martin, Police Chief
Larry Chalker, Public Works Director
Kelly Lasky, Planning & Development Director*
John Simeon, Parks & Recreation Director
Jason Patrick, Fire Chief

**Denotes those joining remotely using Zoom.*

Mayor Doughtie called the meeting to order.

Council Budget Review

City Manager Scherer gave the following PowerPoint presentation on the FY 2020-2021 Proposed Budget:

Agenda

- Overview of Budget Recommendations
- Review Revenue Projections and Department Budget Totals by Category; Finance Director
- Overview of Department Budgets with Comparison to Last Year's Budget Totals: City Manager and Department Heads
- Identification of Next Steps in Budget Approval Process

Summary of Recommendations

I am recommending the following action for the Fiscal Year 2020-2021 Budget:

- Funding Priority w/ Anticipated Revenue Decrease: Public Safety
- Funding for employee benefits at the current level, except for no COLA/Merit Raises. Does fund Longevity and Holiday Bonus
- No Major Capital Equipment Purchases
- No Grants Requiring a Major Match Amount
- Recommends use of \$60K from Undesignated Fund Balance
- Eliminates All Training & Travel Except License and Certification
- No Voluntary Contributions to Agencies or Committees
- The property tax rate remain at the rate of \$.651/\$100 of valuation

Finance Director Etheridge highlighted the revenue projections and departmental summaries for operations.

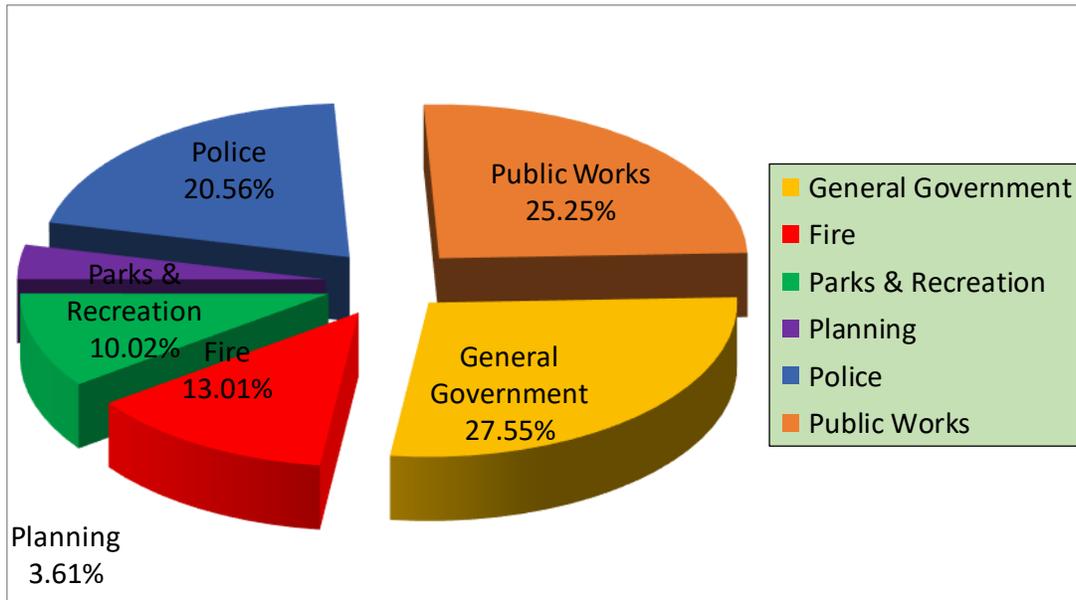
Revenue

- Projected 2020-21 tax levy \$6,973,498 based on current collections (\$147,061 decrease from prior year budget) No increase in Ad Valorem Tax Rate of \$.651
- Sales & Use Taxes \$3,420,903 (Remains Neutral based on COVID-19 unknowns and contingencies; along with State Guidance)
- Utility Franchise Taxes \$1,437,456 (\$10,000 decrease to prior year based on State Guidance)
- Powell Bill Funding \$440,082 (\$8,080 decrease per State Guidance)
- Includes CARES Relief estimated revenue of \$190,000 per Federal, State, and Local Guidance; for potential first and second funding allotments due to pandemic expenditures and revenue losses.

Departmental Summary – General Fund Operating

Department	Amount
General Government	\$ 4,292,999.00
Fire	\$ 2,027,616.00
Parks & Recreation	\$ 1,560,404.00
Planning	\$ 562,361.00
Police	\$ 3,203,629.00
Public Works	\$ 3,933,493.00
Total Fund Summary	\$15,580,502.00

Departmental Summary General Fund Operating



Councilman Smith said he understood that the City had received approximately \$7,000 from the County for the CARES Relief and asked if this was correct. Finance Director Etheridge replied they have submitted \$7,000 in funding to the County for reimbursement. They have to spend the funding upfront and then submit for reimbursement from Halifax County. He asked if they expected to spend \$190,000 to put back in the budget. She said some of this also includes what they don't know with this \$190,000 from federal and state funding sources as they go into phase 2 reimbursement. Councilman Smith stated he understood that and this is what makes him skeptical about putting \$190,000 in a budget when they don't know whether they're going to get it or not. She said this is the area where they would bring it back to Council if they did not meet this mark to lower the estimated revenue. He asked what they were going to have to cut if they do not get this \$190,000 to make up the difference. She replied they would have to go back to the administrative department and look at appropriations accordingly because this is in the administrative section.

Councilman Smith asked Finance Director Etheridge to explain the \$190,000 they have put into the budget is an increase in the Fire Department. She replied they are two separate items. On the revenue they have received guidance from Halifax County that they are eligible for \$147,000. The remainder of this balance is what they have received from federal and state guidance.

Mayor Pro Tem Ferebee clarified that they are eligible for \$147,000 if they have that expense. Finance Director Etheridge replied yes. He confirmed they were at \$7,000

right now and asked if they anticipated much more COVID-19 expenditures or were they thinking the second round would be more for revenue lost. She replied that was correct. They also have expenditures they were looking at that they have not had the opportunity to pull together. They have administrative expenditures for salaries that have been used. They are also looking under public safety to also submit which in turn will increase the total. She added it also runs through December 31, 2020 so they have time to use this funding.

Mayor Doughtie asked Finance Director Etheridge what she attributed the decrease of \$147,000 in tax collections to. She replied the decrease is based on the fact that right now the ad valorem taxes are running behind for the current year. And the collection rate at the present time sits at 96%. It may end up higher as they end June and go towards the end of the fiscal year, but revenues for the end of the year are coming in a little slower for this budget year. They cannot go over the current collection rate to prepare for next year's budget. Mayor Doughtie asked if they had any decrease in valuation for the total amount of the property they tax. She replied no, that was still the same.

Councilman Smith asked if they had any increase in valuation of the property. Finance Director Etheridge replied they have been given the percentages from the County and that is what they have derived this \$6,973,498.

City Manager Scherer continued with the budget review.

Administration

- Legislative: \$51,391 (Neutral Adjustment from FY 19/20)
- General Government: \$1,557,561 (-\$144,316/8.5%)
- Administrative: \$303,736 (-\$16,114/5%)
- Main Street: \$64,448 (Neutral Adjustment from FY 19/20)
- Elections: \$4,000 (Neutral Adjustment from FY 19/20)
- Finance: \$266,146 (-\$12,506/4.5%)
- Information Systems: \$49,710 (-\$2,700/5%)
- Revenue Collections: \$276,472 (Neutral Adjustment from FY 19/20)
- Legal: \$26,233 (-\$2,867/9%)
- Miscellaneous Donations: \$0 (-\$22,325/100%)
- Debt Service:
 - Theatre Bonds A & B: \$1,256,184
 - Installment Financing: \$437,018

Planning & Development

- \$562,361 (+\$30,453/5.7%)
 - Eliminated P/T funds
 - Increased Demolition by \$40,000

Police Department

- \$3,203,629 (-\$110,010/3.3%)
 - Restored Educational Bonus (\$4,000)
 - Reduced P/T Salaries \$59,000
 - Restored Ammunition Line (\$4,000)
 - Increased Body Camera (\$8,000)
 - Reduced Other Budget Lines

Fire Department

- \$2,027,616 (-\$154,916/7%)
 - Restored Frozen Positions from 1st Budget Submission
 - Reduced Several Budget Lines
 - No Capital Grants This Year

Mayor Pro Tem Ferebee asked City Manager Scherer to clarify the reason for restoring the frozen positions from the first budget. He replied it was their attempt to come in with a balanced budget at \$14.8M. They were looking at reducing personnel costs that way, but since they revised their revenue estimates, they were able to put it back in. He reminded Council that in the first submission they tried to look at different scenarios to balance the budget.

Mayor Doughtie asked if the overtime was still in their budget. City Manager replied that was correct.

Public Works Department

- Government Buildings: \$75,844 (-\$16,896/18%)
- Public Works: \$444,591 (-\$71,017/14%)
 - Eliminated Contract Services, P/T
 - Reduced or Cut Other Budget Lines
- Central Garage: \$279,953 (+\$27,765/11%)
 - Increased Salaries & Benefits
 - Reduced Several Budget Lines

- Street: \$1,301,784 (-\$618,204/32%)
 - Eliminated Street Resurfacing, Retain Street Patching/Repair Funds
 - Eliminated Contract Services, P/T
 - Reduced or Eliminated Several Budget Lines
- Solid Waste: \$744,447 (-\$58,582/7%)
 - Reduced Landfill Tipping Fees
- Refuse: \$436,751 (-\$40,000/8%)
 - Reduced Yard Waste Chipping
- Cemetery: \$121,090 (-\$4,643/3.7%)
- Property Maintenance: \$529,033 (+\$45,211/9%)
 - Salaries & Benefits Increased
 - Reduced Other Budget Lines
 - Eliminated Capital Equipment Line from Last Year (Mosquito Fogger)

Mayor Pro Tem Ferebee asked what was the net dollar value in this submission versus the last submission. He referred to the Departmental Summary – General Fund Operating table with the various departments totaling \$15,580,502. He asked City Manager Scherer and/or Finance Director Etheridge if he could get what the budget was in a side-by-side table and that would give him what he was looking for overall.

Public Works Director Chalker said he could answer Mayor Pro Tem Ferebee's first question. He stated this submission is the same exact information that he covered with Council during the last budget work session. They have not changed anything. They were asked to cut 20% and that is what they did. They also froze three positions.

Mayor Doughtie said in a previous budget meeting Public Works Director Chalker told Council there were several things they did not have money for in the budget like road salt. Public Works Director Chalker said that was correct. There was a line item they set aside \$20,000 to purchase road salt in case they were to have a snow storm. They do have road salt on hand and they do have brine in their brine plant for the next storm. He stated if they have one storm he will not be worried. If they have four, then they would pull the money from elsewhere in the street department budget from a maintenance line item just to get the streets open. Then eventually he would talk to the City Manager and Finance Director about coming back to Council to say they did not plan for this many snow storms so they would need to put more money back in the budget.

Mayor Doughtie asked how Public Works Director Chalker anticipated being able to cut \$58,000 from his solid waste budget. He replied he actually cut \$75,000 from the landfill tipping line item. There is no scientific answer to it, he has been doing this for a while now and he trusts his people. They have been very good with the projections so far. They don't always know when the vendor (now GFL) is going to come up with an increase in the tipping fees in Weldon, which is where they take the trash. If that happens, they will shop around and make the best financial decision at that time based on what the market is bearing. He said they do not plan to come back to Council and ask for any money, but they also need to advise Council that when you cut 20% out of a budget this big, things can happen. They deal with things they cannot always forecast. The plan is to have enough money to make it. Looking at the projections in the budget from last year's use and costs as opposed to today, they are ahead in that budget. As long as there is not an increase and as long as the public doesn't start dumping out more solid waste. To achieve the 20% cut department wide, that was one of the line items he chose to cut back and try to make it as close as he could.

Mayor Doughtie asked if the same would be true on refuse. Public Works Director Chalker replied he did not cut the refuse tipping fee budget because it was a closer budget although he did make cuts in the refuse department for yard waste chipping.

Councilwoman Bryant asked for Public Works Director Chalker to explain the increase in salaries and benefits for the Central Garage and Property Maintenance. He replied they unfroze a position in the Central Garage in the previous fiscal year but it takes a while for it to show up. It was a mechanic's position that was unfrozen to put an extra skilled mechanic on the shop floor. That is the reason the amount has increased. These are some of the highest paid skilled people that they have being automotive technical ASE certified mechanics.

Public Works Director Chalker said as for property maintenance, they switched a couple of employees between the Public Works department and Parks & Recreation department. This occurred about two years ago. To bring the employee in, they had to unfreeze a position to place the employee. They basically restructured that entire portion of that department. That is the building maintenance arm of the property maintenance account. In the property maintenance division you have people that perform property maintenance and then you have other more skilled individuals that perform building maintenance. The building maintenance that Public Works performs today is much more advanced than the building maintenance of 10 years ago when he first started with the City. They don't just paint walls, they do electrical work and plumbing. They have a plumber and a HVAC technician on staff so they

try to do as much of that work in-house to minimize the use of outside contractors which saves a tremendous amount of money city-wide. One of the largest areas that particular department covers is City Hall. That department was also responsible for changing City Hall's old telephone system to a new VoIP phone system. That was an immediate \$20,000 savings for the City. When they switched those two people between departments, the person coming in was not ranked as high as the person going out so they could not just put him in that job. In that restructure and by taking on so many more "tasky" type operations, the two departments, property maintenance and building maintenance, were more efficient at what they were doing by keeping them separate. These technical individuals are also capable of getting on the back of a trash truck when they don't have enough help. They are very talented and good at what they do. If the technical stuff is caught up, you may see them cutting grass. They are also part of a response team. They have people on call 24 hours a day, 7 days a week with Halifax Central E-911 dispatch and back up every city department. That is why it shows an increase in those salaries, but he cannot explain why it takes so long to show up in the budget.

Mayor Pro Tem Ferebee asked in reference to backing up the other departments, are those dollars and salaries in the Public Works department or are they allocated back to the other departments or do they just do it. Public Works Director Chalker replied they were all on the same team. When they work on a police car, they let the police department buy the parts but Public Works takes care of the labor. He said they do not bill out the labor for that. When they go to City Hall, they buy the parts out of City Hall's budget, but those employees work for building maintenance in the property maintenance division. He had trouble with it when he first came to work for the City because he had his own business but in the City, it is all the same mission and it is all public tax dollars so they do not bill out to other departments.

Mayor Pro Tem Ferebee confirmed that these dollars are indicated in the Public Works department. Public Works Director Chalker said when he mentioned the emergency response team, they have people from every one of the Public Works' departments on that response team that are ready to assist these other departments with traffic control, light towers and they have the equipment to move things.

Councilman Smith said he understands that the department heads are not responsible for putting the salaries in the budget and asked if that comes from the administration. Public Works Director Chalker replied that specifically comes from the Finance Department. They look at each department's census and try to get a current snapshot of the salaries and what they need to forecast for this year.

Finance Director Etheridge added they have to trend salaries and even changes that they think may happen. She starts this process in February to be where they are tonight; it is very lengthy. They always ask the department heads if they have salary changes for position changes or restructuring and to let them know their best estimates at the time. If they have any changes from February/March to June, they have to hit that new salary on target to carry it forward into the next budget year. As for vacancies, they may be budgeted at a step 3 which is the midpoint but they may come in slightly higher based on qualifications. There are a myriad of reasons why they may not exactly hit the target and they see it into the next fiscal year.

Councilwoman Scarbrough asked Public Works Director Chalker through the history of the tipping fees, do they typically increase it annually. He replied not necessarily annually. There is not a rhyme or reason for a certain period of time. Sometimes they give them a heads up but that doesn't always happen. There are various things that can affect that such as the cost of doing business, cost of fuel and transportation. They take the trash to Weldon at GFL and they in turn take it to the landfill in Bertie County.

Mayor Doughtie said they had \$308,000 in the budget for resurfacing and patching and Public Works had to eliminate all of that this year. He believes everyone knows how important the condition of our streets are and that concerns him. It does not have to be done today but it has not been able to get done over the years because they have had to continuously defer from spending on our roads for the most part. There is \$20,000 for rock for the back alleys. From time to time, Council members may get calls about the back alleys and trash trucks have to go down them too. If they had the money, he was sure they would all agree that would be money well spent. People can get up and down them but believes it is something they need to pay attention to. They've gotten kind of caught up with equipment in the Public Works department and with the police cars which are things that got put back. They had to borrow money, but he thinks they are in fair shape with vehicles and equipment. It does concern him greatly especially when individuals come to them and talk about the condition of the city and what it has to offer. A nice smooth road when someone is riding by to look at a neighborhood is a big benefit.

City Manager Scherer continued with his review of the budget.

Parks & Recreation

- TJ Davis: \$359,980 (-\$19,197/5%)
 - Reduced P/T, Officials Costs

- Parks: \$409,330 (-\$91,437/18%)
 - Reduced P/T by 75%; Maint & Repair by 82.5%; Other Reductions
- Chaloner: \$66,075 (-\$28,345/30%)
 - Reduced P/T by 90%; Maint & Repair by 75%;
- Jo Story Senior Center: \$101,082 (-\$30,492/23%)
 - Reduced P/T by 72%
- Lloyd Andrews Bldg: \$6,250 (-\$10,000/60%)
- Miscellaneous Grants: \$30,000 (Senior Center Operations)
 - Reduced by 86% (No PARTF or Major Grants)
- Community Center: \$49,500 (-\$59,665/54%)
 - Building Upgrades Delayed
- Library: \$230,936 (-\$109,848/32%)
 - Reduced Staffing/Benefits, P/T
- Canal Museum: \$101,682 (-\$4,000/4%)
- Municipal Swimming Pool Fund: Carry forward Program \$36,150
- Outdoor Pool: Closed
- Aquatic Center: \$180,069 (-29,688 from prior budget/14%)
 - Appropriates additional \$20,000 PT Salary, Utilities and Supplies
 - (For extended service hours due to the closure of outdoor pool)

Councilman Smith asked for either City Manager Scherer or Finance Director Etheridge to go over this budget and the requested money and show him all these reductions such as 54% and 32% from the last time they reviewed it. Finance Director Etheridge stated the only thing that has changed since last time in this department is aquatics.

Councilman Smith said they cut part-time from the TJ Davis Recreation department from what was requested by \$5,000. That's all they cut in Parks & Recreation from what was requested. Council came back and it was requested to put \$10,000 in the Aquatics Center and it was increased for part-time salaries to \$20,000 which increased FICA about \$2,000 in part-time. The total estimate from his understanding is they have increased the Aquatics Center about \$46,000.

Parks & Recreation Director Simeon replied he had first talked about part-time. When you look at the budget and any part-time salaries that was in TJ Davis or the Aquatic Center it had already been reduced 50% at that time. Then it was further reductions after that. That was through all of his departments. At the very

start when he was handed his budget it was at 50% part-time salaries. Then he was told to cut 20% more of the budget and he did and part of that was additional part-time salaries.

Councilman Smith said to him it looks like they took the part-time away from one place and put them at the Aquatic Center. If you add up the figures that is basically what it would be.

Parks & Recreation Director Simeon replied that was from the second cut when he was instructed to come back with another budget and add additional hours to the Aquatic Center to make up for the outdoor pool. He went in and took additional funds from within those departments that had already been cut 50% and moved them over to compensate for the additional part-time that was needed at the Aquatic Center. There was no more money added from last time they spoke until today.

Mayor Pro Tem Ferebee said it may help them not just particularly in Parks & Rec, but overall going back to the Departmental Summary - General Fund Operations and look at the amount that makes up \$15.5M versus what was actual last year or the year before and put that side by side. That would give Council a full understanding of at least how far it was from the actual last year. He asked if they would put that side by side and that would give Council a general idea to how much the cut was.

Finance Director Etheridge replied they can provide Council with any information they request, they just need to know this before they get into a public setting where they do not have it for them. Mayor Pro Tem Ferebee said he would like to request that. He stated some things come up as they see it and based on conversations.

Councilman Smith stated this is why it is so important for this Council to have budget meetings in advance instead of just having two budget meetings. He and Mayor Pro Tem Ferebee recommended they have an advance budget meeting so they could go over all this stuff. They ended up with one sheet to start with and then they had a whole breakdown of everything. The budget is a process that takes more than Council looking at a budget for two or three sessions. If Finance Director Etheridge started in February, then Council should start no later than April so they can get all this stuff ironed out.

City Manager Scherer agreed with Councilman Smith and stated they will make that change so it is a better system for next year.

Mayor Doughtie stated there was an additional \$15,000 for the Aquatic Center and asked if the pool costs any more with people in it or not in it as far as utilities. Parks & Recreation Director Simeon replied it does cost more. One reason is swim team. When there is a high school swim meet, they like to keep the water temperature at 77-78 degrees. For the seniors, arthritis classes and lap swimmers generally like to swim at 80-82 degrees. Plus the more people that are there, the more showers are taken and toilets used.

Mayor Doughtie said they discussed this early on and asked if there were two swim teams that use the pool. Parks & Recreation Director Simeon replied they have two teams and a summer youth team. The summer youth team has over 60 kids registered right now. They are waiting to see what the governor advises for Phase 3 because they would need to put more kids in the pool at the allotted time to get them in the right area with the right swimmers in order to practice. Mayor Doughtie asked if that was a City sponsored activity or a summer program. Parks & Recreation Director Simeon said it was a summer youth association just like baseball, softball or soccer within Roanoke Rapids that they support and facilitate for them. Mayor Doughtie asked if the City received any revenue from it. He replied no.

Councilman Smith said he sees where Parks & Recreation Director Simeon set a recommendation on fees for the pool. He thinks the fees for residents and non-residents need to be increased. Instead of a daily fee, maybe they need to go to a monthly fee and there needs to be a fee for residents and non-residents. The same thing goes for the passes. Somehow they are going to have to increase some income to keep from spending the amount of money that they are spending on the Aquatic Center. He was not saying to close it down. The fees need to be increased to at least have some reduction in the costs. Even if they have to make up the \$15,000 difference in increasing the pool expenses.

Councilwoman Scarbrough asked if the days and times for the Aquatic Center have been changed. Parks & Recreation Director Simeon replied yes and distributed the Aquatic Center hours of operation to City Council.

Mayor Doughtie asked Parks & Recreation Director Simeon if he was onboard when the joint use agreement went into effect between the City and school. He replied yes, the agreement went into effect in 1993 and then in 2008 or 2009, they revisited the agreement.

Councilwoman Scarbrough said she sees on the pool hours sheet that there is an arthritis class several times a week and asked how did that work. He replied they

pay a fee and that is where some of the people that spoke at the last meeting talked about them being a family. They have classes on Mondays, Wednesdays and Fridays. She asked who conducts the class. He replied trained instructors handle that for them. She asked could they tell the public the City offers these classes and they can go at their leisure. He said yes and some may go to these classes and then go back at a different time. They have several groups that exercise by themselves and they also offer three different classes; it's a social and physical fitness relationship with them.

Mayor Pro Tem Ferebee said Parks & Recreation Director Simeon indicated he has part-time people doing this and asked with the reduction of the part-time people was he going to be able to do that and would that increase overtime for full-time people. Parks & Recreation Director Simeon replied it should not, they should be fine with the budget that was presented with the part-time salaries where they are at with the classes, swim lessons and additional help during the day as needed.

Mayor Pro Tem Ferebee asked if the temporary schedule he presented was going to be the schedule now and ongoing. Parks & Recreation Director said it would be ongoing most likely until the high school teams start practicing in the fall. They may have to switch some things around.

Mayor Pro Tem Ferebee asked if the Aquatic Center could handle all these different needs. Parks & Recreation Director Simeon replied he believed so. They have started some of the open swim programs and had to cap the number of children to 15 right now just solely for the governor's restrictions.

Mayor Pro Tem Ferebee asked with the schedule presented, how does the City stack up to the other cities and towns in relation to passes and fees. Parks & Recreation Director Simeon said it was pretty obvious the areas around us, Rocky Mount, Wilson, Henderson and Washington, they were right there. Once you get into Waynesville and the mountains, they have a different kind of patron. Some just live there in the summer or just in the winter. They can handle those fees in those areas. He added that whenever the City has increased the fees for the Aquatic Center, they have never gone over a quarter increase so that is why he started with a quarter and adjusted accordingly with non-resident and resident passes.

Mayor Pro Tem Ferebee said he was looking at Wilson and wasn't sure what they were doing. Parks & Recreation Director Simeon said Wilson has a different set up. They have a bubble over the pool in the winter and then in the summer they pull the bubble back. Generally, Wilson has very low fees within their department and they have a golf course that supports that department very well.

Councilman Smith said he would still like to talk about the fees and set some fees so it will be effective when the budget comes out. Parks & Recreation Director Simeon said he would like his input and some guidance on what he was thinking. Councilman Smith said he did not know. Greenville charges \$272 for a family per quarter, but he does not think they need to charge that amount of money. Parks & Recreation Director Simeon questioned what was included in that because some things are not comparing apples to apples. Councilman Smith said it was for the swimming pool plus there is a restoration fee for it. Waynesville's family rate per day is \$20. He suggested a fee of \$25 per month and that is less than what people are charged to go to the gym. Parks & Recreation Director Simeon reminded him that last year they lowered the fees for the outdoor pool to \$1 and \$2. Councilman Smith said he was not talking about kids, he was talking about the ones that go to the classes. He did not see how they were going to put sixty or eighty kids in the pool because he had grandkids that were on the swimming team. When you put that many people in that little area, there is not enough room to walk around or do anything. He said Parks & Recreation Director Simeon said he could do it so hopes they will be swimming instead of trying to walk around. He has no problem with charging the children a \$1 fee. He was talking about the people in the classes. All those who attended the Council meeting the other night said they were willing to pay a reasonable fee. A reasonable fee of \$25 per month would help with expenses. As for the schools, they were told the private school pays \$1,500 to swim for the whole year. He assumes they not only use it for practice but for meets too. Parks & Recreation Director Simeon said they used to but the conference has gotten smaller so they have joined with Roanoke Rapids with their meets.

Mayor Pro Tem Ferebee asked for Parks & Recreation Director Simeon to put something together and do a recommendation for what he feels would best serve everyone. Some fees may be reasonable for some, but not to others. He did not want people to say they could not go to the pool because they couldn't afford to. We do not want to get into the haves and have-not's.

Parks & Recreation Director Simeon stated that was a good point. They talk a lot about this at the State Conference and ask what is that price point where you out price yourself and lose more money than when you had a different rate. That is the last thing he wants to do is out price themselves and not cover the revenues they had this year.

Mayor Pro Tem Ferebee asked him to put together a recommendation and come up with actual dollars that are related to that so Council can take a full look at how much revenue it would be bringing in. If it does have to be increased or if it has to remain the same. He asked if he would have the information for the next Council

meeting. Parks & Recreation Director Simeon said he would have it in their agenda packets.

Parks & Recreation Director Simeon asked Councilman Smith if he was generally referring to fees for the classes and not open swim. Councilman Smith yes that was correct. The reason he was talking about it so hard was because it has been brought to his attention from a phone call when all this first started that the city has people that can well afford to pay to go into the Aquatic Center but are not paying a red cent. He said Parks & Recreation Director Simeon knows this as well as he does because he was letting them in there without paying. Parks & Recreation Director Simeon replied no, not outside of policy; he would disagree with him. Councilman Smith asked if there was anybody going in there that doesn't pay. He replied not that he was aware of and they should not. Councilman Smith stated after the meeting he would tell him exactly who it is that told him that.

Mayor Doughtie said they need to expand their outreach to the community and he knows the Aquatic Center has a limited usage, but he thinks the city has some businesses that employees who could benefit from it. If they can look at the numbers of individuals they have attending versus what they might could help towards the operation of it. They would have to see if it would balance out or how it might work.

Councilman Smith apologized for giving Parks & Recreation Director Simeon a hard time but the thing that gets on him is they talk about the Aquatic Center, they spend a lot money on the Aquatic Center, but they are taking away flag-football from the kids in this town. They are taking away a lot of things like that so they can sink more money into the Aquatic Center without the people going there paying for it. He does not think it is right for the kids not to be able to play the sports they should play. The Council has agreed not to close the pool. It was a majority vote and he backs the Council 100%, but he thinks they are putting a lot of money into the Aquatic Center that people can afford to pay to use it. They are having to cut programs where kids out there can't play sports. Thanks to Todd Lockamon and all the people who head up soccer, softball and football that volunteer and raise a lot of money for those kids. They are doing a great job being volunteers for this city and it means a lot to the Council.

Parks & Recreation Director Simeon agreed and said having those associations and volunteers means the Parks & Recreation Department does not have to have more employees to run those programs. He will talk to the midget football program to see if they would be interested in starting or helping with a flag football program.

Councilman Smith said he and maybe some other Council members would be happy to help go to some of the churches or other places to try to put this program back in for these kids; it is important to them.

Councilwoman Scarbrough stated she thought the governor said there was not to be any sports right now because of the virus. Councilman Smith said he was talking about football in the fall. The governor has released the restrictions on baseball and as a matter of fact he believes they started tonight. Parks & Recreation Director Simeon reported the NC High School Athletic Association will allow sports to resume June 15th and set Phase One guidelines in place. Most likely that will mean a football team can go out and practice/run drills without contact.

Mayor Doughtie asked Parks & Recreation Director who heads up the summer swim team program. He replied Leighann Beam.

Mayor Pro Tem Ferebee stated he did not want them to get into the details because he feels Parks & Recreation Director Simeon is as qualified of a department head as any other and can bring the information back to them to yea or nay it without them trying to run the department. Sometimes he feels that they do that and he doesn't want to get into who's on first, who's on second and then they get into they took money from here. Council asked him to come up with a budget that was cut just like everybody else and he looked at where that cut could be. When it came to the Aquatic Center, there was a vote on it and Council said no, they did not want to end the Aquatic Center so he put some monies in there to accommodate because he did close the outdoor pool. If they look at the numbers from last time, there was a lot of kids that used it during the summer. The process was since it was going to be the middle or end of summer before it could be opened, they were not going to do it this year and put those monies elsewhere. And those kids are still there so they are going to have to do something for them. So they needed to come up with a schedule so everybody could use the Aquatic Center. Then they had to come up with a dollar value. They had some people come from the lake and the income there is different from the income here. He did not want to have a product that everybody could not have a chance to use. He would suggest Parks & Recreation Director Simeon bring back more than one scenario for Council to look at and make a decision from there. He clarified his request. For example if one scenario was to raise the fee \$1 then they would get \$1,000 or another scenario would raise the fee to \$2, they would get \$2,000 and then give Council his recommendation for the best scenario.

Councilman Smith said what he was worried about at the Aquatic Center with the as many kids that use the outdoor pool, there is no way they can put that many

kids in the Aquatic Center. Mayor Pro Tem Ferebee said he did not disagree with that but his first question to Parks & Recreation Director Simeon was could they accommodate the teams or what is listed at the Aquatic Center. Maybe he was not thinking about all the kids that use the outdoor pool, but what do you do with them. It is the same as football to some degree and to some parents. They need to look at the whole program and thinks Parks & Recreation Director Simeon can come up with a good recommendation and at that point its up the Council to yea or nay it. He would like to see his best recommendation.

Councilwoman Bryant thanked Parks & Recreation Director Simeon for the efforts he has made to try to accommodate everybody. There were lots of kids that use the outdoor pool over the summer and she did not want them to not have that opportunity. Based on what she sees they have at least 8 hours a week and that is better than nothing. Council heard from those utilizing the pool for classes and thinks he has worked to accommodate everybody and thanked him again for that. Council will try to work with whatever his recommendations are for this year and hopefully next year they will be in a better position.

Parks & Recreation Director Simeon reported he met with a company that works with them on a preventative maintenance program with all their facilities and they are putting a proposal together to air test the lines at the outdoor pool. They will be able to isolate each line and can tell which line needs to be replaced or if it is not that. They do know it is not the structure because with all the rain they had 2-3 weeks ago, it was bone-dry in the pool. Typically if there is a structural problem it tends to show up when it rains. He hopes to have some information to Council about the outdoor pool in the next couple of weeks.

Mayor Doughtie asked if right now the future of the outdoor pool is for it to be open next year if financially feasible. Parks & Recreation Director Simeon said he will bring Council all the information and they can give him guidance on how they would want to move forward with it.

City Manager Scherer highlighted the Employee Benefit Package that was included in this year's budget.

Employee Benefit Package

Benefit	Annual Cost	
Group Health Insurance	\$1,492,236	
Dental	\$ 52,275	

Life Insurance	\$ 7,995	
Longevity	\$ 78,544	
Christmas Bonus	\$ 45,545	
Employee's Assistance Program	\$ 3,933	
Health Reimbursement Account	\$ 70,000	\$2,000 towards deductible
3% 401k Employer Match	\$ 88,000	

He said as he has mentioned previously, it is about a 5% increase in the group health insurance from this budget year. 2-1/2% of that increase is a federal administrative charge and he has chosen not to pass the increase onto the employees. He asked for Council's concerns or questions before staff finalizes this year's budget.

Mayor Pro Tem Ferebee stated just the summaries. City Manager Scherer replied he would get that information to them tomorrow.

Mayor Doughtie asked Council how they felt about the \$60,000 coming out of unallocated fund balance.

Councilwoman Scarbrough asked how much did the City have in the fund balance. Finance Director Etheridge replied currently they have \$3.5M which is 15%.

Mayor Doughtie stated 8% was the minimum and the goal is 20% which is 2-1/2 months of operating expenses. He asked if last year was the first year they did not take a sizeable amount from the fund balance in 2-3 years. City Manager Scherer replied that was correct. Mayor Doughtie said they were taking out \$600,000-\$700,000 for several years and said they could not keep doing that because in five years they wouldn't have any money. He just wanted to put that out there. It was not a large sum of money.

Mayor Pro Tem Ferebee stated if they didn't have to take out any it would be great, but it sure is a whole lot better than \$600,000-\$700,000. He was okay with it if they had to do it to balance out. He asked if they anticipated any other uses of that at all. City Manager Scherer replied not at this point, but this budget year does have some uncertainties. Right now, they do not anticipate needing more than that.

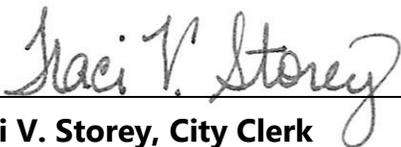
Mayor Doughtie asked City Manager Scherer if the hiring freeze would stay on until he lets Council know otherwise. He replied that is correct and it will stay in place for an extended period of time. Personnel costs are their major costs in any budget.

Mayor Doughtie said in looking at the budget, this is just the mayor speaking and he does not hire and fire, but he would like to look at when a job comes open and it needs to be filled if they can consider filling it with two qualified part-time individuals. Even if it is the same salary amount, it would not require benefits. That would be a significant savings to the City. City Manager Scherer said they would consider that.

Councilman Smith suggested Council give a general consensus they are satisfied with this budget so they can hold the public hearing during the June 16, 2020 City Council meeting and then approve the budget all in one session. He asked the City Manager if that was in order or a good idea to have a general consensus so they can adopt the budget after the public hearing all in one night. City Manager Scherer replied yes, he believed so unless there were some changes from the public hearing.

Councilman Bobbitt stated he agreed with that and all other Council members agreed also. Therefore, it is the consensus of the City Council to hold the public hearing and adopt the budget ordinance at the June 16, 2020 City Council meeting.

There being no further business, motion was made by Councilman Bobbitt, seconded by Councilwoman Bryant and unanimously carried to adjourn. The meeting adjourned at 6:45 p.m.



Traci V. Storey, City Clerk

Approved by Council Action on: June 16, 2020