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***Roanoke Rapids City Council***

***May 27, 2015***

The City Council of the City of Roanoke Rapids held a budget work session on the above date at 4:00 p.m. in the first floor conference room of the J. Reuben Daniel City Hall & Police Station.

 Emery G. Doughtie, Mayor

 Carl Ferebee, Mayor Pro Tem

 Ernest C. Bobbitt)

 Carol H. Cowen)

 Wayne Smith)

 Joseph Scherer, MPA, MS, City Manager

 Lisa B. Vincent, MMC, NCCMC, City Clerk

 Leigh Etheridge, Finance Director

 Suetta S. Scarbrough, Council Member

Mayor Doughtie called the meeting to order.

City Manager Scherer stated Council has been provided copies of the line item budget *(copy on file in Clerk’s Office)* showing revenue sources and expenditures at $15,528,087. He also referred to the following memorandum:

**MEMORANDUM**

May 27, 2015

TO: City Council

FROM: Joe Scherer, City Manager/s/

**RE: OPERATING BUDGET PERCENTAGES**

Enclosed you will find funding percentages by department for our operating budget. Please note that these are only preliminary at this time, and any changes will be updated in the final budget notebook presentation.

 Police 23.4% Public Works 25.9%

 Fire 14.1% General Government 19.9%

 Planning & Zoning 3.85% Parks & Recreation 12.85%

Thank you.

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City Manager Scherer stated he is still recommending the transfer of $500,000 from undesignated fund balance which will leave about 22%, and the revenue neutral tax rate which would generate around $270,000. He pointed out that this budget is a half million less than last year’s $16 million budget. City Manager Scherer stated he has made cuts in operations and maintenance, and did take some salary money ($53,000) from the Police Department. He stated the department heads did have concerns about some of the cuts but they were told that we would address any issues when they came up.

In response to a question about the salary money taken from the Police Department, City Manager Scherer explained that the department is short three officers so he felt they would not need the entire amount budgeted.

City Manager Scherer stated this proposed budget includes a 2% COLA for employees.

Councilman Smith asked about the ½ cent sales tax listed on page 2 of the revenues.

City Manager Scherer stated that is a sales tax we currently collect.

Councilman Smith questioned why there is nothing budgeted for the municipal ordinance violations.

City Manager Scherer stated that line item is for if we do take in any fines or fees. He stated they decided to see how they roll in.

Councilman Smith questioned the decrease in the Aquatic Center fees from $2,800 to $2,100.

City Manager Scherer stated because of the increase we are proposing in the Aquatic Center fees, they felt some of the non-residents would not renew their passes.

Councilman Smith stated the City Manager is requesting a $15.5 million budget. He stated he is a little disappointed with that.

City Manager Scherer stated this current year’s budget is $16 million.

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Councilman Smith stated he would hate to see us go with a 2.5 cent tax increase and then take $500,000 from fund balance.

Mayor Doughtie pointed out that this is why we are here this afternoon. He stated we need to make suggestions. He stated the City Manager is trying to do what the Council wants but he needs some direction.

Mayor Pro Tem Ferebee asked about the trending of the budget figures and much discussion followed.

Councilman Smith asked where the cuts were made for maintenance. He asked if we are still planning to do the roof and generator.

City Manager Scherer stated no. He stated the only capital items included in this budget are: 1 vehicle for Planning & Development; 2 Police cars; 10 air packs for the Fire Department; MorphoTrak Live Scan for the Police Department; $100,000 in resurfacing and a leaf machine and the $18,000 for additional parts for the pool heater.

Councilman Bobbitt asked if we would have to go into the fund balance if the generator dies.

City Manager Scherer stated yes.

Councilman Bobbitt stated we have been putting a band aid on that generator for several years. He stated we will be hurting if the power goes out in this building especially since this is the command center in emergencies.

Mayor Pro Tem Ferebee stated he realizes there will be some revenue loss and we are planning for a $500,000 decrease. He stated the City Manager is looking at transferring funds from fund balance as well as the revenue neutral tax rate. He stated if nothing changes, we are technically going to make $16 million this year.

Mayor Doughtie stated in the past he would ask former Finance Director Hite how we are doing with our funds. He asked if we are at $13.5 million at this point and have projected $16 million, could we possibly have $2 or $3 million left in this year’s budget if we were to really tighten our belts.

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City Manager Scherer stated that is possible. He stated there is currently a spending freeze and he is approving all purchase orders.

Finance Director Etheridge stated our year to date revenues are on track at 10 months in and we have expended 82% of the budget.

Councilwoman Cowen asked what we plan to do about the Theatre.

City Manager Scherer stated that is a separate discussion that we need to have. He stated we could close the doors, operate it on a rental basis or do something else like hire a management company to run it. He pointed out that the only money in the budget is for normal maintenance.

Councilwoman Cowen asked about the payments. She stated a few weeks ago something was said about funds from another source.

City Manager Scherer stated the legislation to allow the one-quarter cent sales tax has not been approved yet.

Councilman Smith pointed out that it has passed the first reading in the House.

Councilman Bobbitt asked if this is passed and instituted by November or December would it help us this year.

City Manager Scherer stated it could possibly give us between $400,000 and $500,000 in additional revenue.

Councilman Bobbitt stated there are some things in the budget that need to be done and some things that can wait.

Mayor Doughtie mentioned that we are already getting calls from people that want to do shows at the Theatre. He stated he was against boarding it up last time and would be against it again. He stated it needs to be put on some type of life support.

City Manager Scherer reported that he has a meeting scheduled with some of the department heads on Monday to discuss this issue. He pointed out that whatever the departments have to do as far as operating the Theatre

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will take away from what they are doing now. He stated he does not have any extra money to hire people.

Councilman Bobbitt stated it is his understanding that those wanting to put on shows will furnish their own people.

Mayor Doughtie asked if the consensus is for the City Manager to come back with a recommendation for keeping the doors of the Theatre open.

Councilman Bobbitt stated people want to rent the building for shows. He stated it will go down quickly if it is not used. He also pointed out that the last time we operated the Theatre, there were people that volunteered to work for free just because they cared. Councilman Bobbitt stated we need to start renting the building. He stated there would be some expense but it would not be as bad as it sitting empty.

Mayor Pro Tem Ferebee stated he agrees that the City Manager should bring back a recommendation.

Councilwoman Cowen stated she needs more time to absorb this.

City Manager Scherer stated Council will receive a budget notebook as in the past. He pointed out that the public hearing on the budget is scheduled for next Tuesday, June 2 and final approval is scheduled for the June 16 meeting.

Councilman Smith asked if they would get the information before that meeting.

City Manager Scherer stated at this point, Council basically has the entire budget.

Mayor Pro Tem Ferebee asked where the $1 million loss is that we are trying to make up.

City Manager Scherer stated he will try to go back and identify those numbers.

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Councilman Bobbitt asked if we have the monies to tear down 1026 Roanoke Avenue in this year’s budget.

City Manager Scherer stated yes.

Councilman Bobbitt asked if the façade will remain.

City Manager Scherer stated yes. He stated that was the strong recommendation of the State Historic Preservation Office. He stated an engineer was brought in to make sure the façade could remain.

Councilman Smith asked who would pay.

City Manager Scherer stated the Main Street Office for historical preservation.

Councilwoman Cowen expressed her concerns about this. She stated she does not think we are doing this the right way.

City Manager Scherer stated we have to do something because it is a safety hazard. He stated we are hoping to be able to obtain the property. He stated Main Street/Development Director has been unsuccessful in trying to talk with the son of the property owner.

Councilwoman Cowen stated the old People’s Theater is just as bad and these are people that have money.

City Manager Scherer stated the problem with the old People’s Theater is that it is attached to the other buildings.

Councilman Bobbitt asked if we still have the Theatre next year and everything else stays the same would we have to take money out of fund balance.

City Manager Scherer stated at that point he would recommend cutting services or laying off employees.

Councilman Smith asked if there are any monies in the budget for the Avenue.

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City Manager Scherer stated just monies for the Main Street/Development Director. He stated the streetscape was not included in this year’s capital improvements.

Councilman Bobbitt asked if we are collecting fees from businesses.

Councilwoman Cowen stated that she was told that fees were being collected and they stopped. She stated when she came on the City Council she was told there would be a fee but it is now being thrown back on the City.

City Manager Scherer stated it was his understanding that there was some disagreement about where the funds from the municipal tax district were being spent.

Mayor Doughtie stated he believes Councilwoman Cowen may be referring to the fee that was voluntary. He stated he does believe that this needs to be advocated like the Chamber does with their dues. He stated reminders need to be sent to the property owners. Mayor Doughtie stated some people just forget to pay something they pay only once a year.

City Manager Scherer stated he would also suggest setting up the municipal tax district.

Councilman Smith stated they need to pay their own way.

Councilman Bobbitt asked if Main Street/Development Director Caudle had contacted the owners of vacant properties along the Avenue.

City Manager Scherer stated he believes she has contacted them.

Mayor Doughtie stated we need to start a conversation about plans for the immediate future of the Theatre. He stated he would like to see us use volunteers at the Theatre.

City Manager Scherer stated he will check with City Attorney Chichester and our liability insurance carrier about the use of volunteers.

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There being no further business, motion was made by Mayor Pro Tem Ferebee, seconded by Councilman Bobbitt and unanimously carried to adjourn.

 

 6/16/2016