

Minutes

Kinston City Council
City Hall · 207 East King Street
Monday, June 15, 2020

Work Session at 5:30 pm Regular Meeting at 7:00 pm

Mayor Don Hardy called the City Council Work Session to order at 5:32 pm.

Those present: Councilmembers Robert Swinson, Sammy Aiken, Kristal Suggs, Antonio Hardy, and Mayor Don Hardy

Also present: Tony Sears, City Manager, and James Cauley, City Attorney

Adoption of the Agenda

Councilmember Swinson made the motion, seconded by Councilmember Aiken and upon a unanimous vote [5-0] the agenda was approved.

ITEMS FOR DISCUSSION

1. LWA Reopening-----Tony Sears

Tony Sears, City Manager, stated under the Governor's phase two water parks are allowed to be open under certain restrictions. Bryan Sheehan from Swim Club Management Group would update the council on the guidelines and protocols. Mr. Sears also stated the same rules used at Lions Water Adventure would apply to the pool at Holloway and the splash pad at Fairfield.

Bryan Sheehan stated the guidelines and the recommendations have evolved over the last few months. We want as a company, certainly to be thought leaders in the industry and feel like that we are, and we have been working in the last few months to put together guidelines, to help our clients reopen. At this point, we have a few hundred different facilities across the Carolinas and in Virginia that have reopened in some form. Certainly, we've got a great team in place that has a lot of experience managing parks. The one thing that we know is there is no playbook for COVID and there is no experience with that. So we have leaned on these organizations, the CDC and the North Carolina Department of Health and Human Services and the World Waterpark Association. Bryan stated there is a plan in place if an employee or guest comes to the waterpark and later test positive for COVID. Capacity for the season will be between 25- 30% to allow for a better opportunity to socially distance. The reduction of capacity will also create a better guest experience. A morning session and afternoon session will be offered. The park will close mid-afternoon for a one-hour complete sanitation of the entire park. Then once the park closed there would be another deep cleaning as well.

Councilmember Kristal Suggs suggested opening the park Monday, June, 29 but would be open to another date since the CDC guideline had been put in place.

Councilmember Antonio Hardy suggested opening Saturday, June 20.

Mr. Sears stated staff would have facilities and all documents ready for opening before Saturday, June 20, 2020.

2. Budget Presentation-----Tony Sears

Tony Sears, City Manager, stated, the overall budget is \$111 million. The electric fund is \$49.5 million, water resource fund is \$10.5 million, and wastewater is \$7 million. The general fund is 24.7 million that covers everything that is not an enterprise fund. The five enterprise funds are electric, water, sewer, sanitation, and stormwater. Those are the major departments that make up majority of the overall budget. There is no proposed tax increase however; there is a proposed sewer increase.

Councilmember Hardy asked if employees would be furloughed.

Mr. Sears stated that the idea of furlough was in the manager’s message that was read to the council at the first two budget meetings. He stated that no one has voted or made the decision to do furloughs. At this point, it is just a consideration and the reason that has to be a consideration has to do with the amount of fund balance that is being used to balance the budget in conjunction with the overall funds. Mr. Sears stated it would take one and a half million to balance this budget. The issue is how much the City is losing in revenue just because of the state of the economy, and how much normal expenses are continuing to increase. The gap between losing revenue and still having the unfunded mandates creates the one and half million dollar hole in the budget, and the only way to fix that is to reduce expenses. So capital was hammered but the hole still exists. The number one reoccurring expense for any business is employees. And how you go about controlling that number is the next major step in reducing the reliance on the one and a half million dollars that’s necessary to balance this budget. In the state of North Carolina, it is required that we have a balanced budget. The revenues and the expenditures have to equal zero. So, to do that with the gap we had, we have to use the one and a half million dollars. The problem is that’s not realistic. Our fund balance is the reason that it’s not realistic. If you look from fiscal year 2012 to fiscal year 2021 that we’re proposing here, we’ve always had to use a certain percentage of fund balance to balance the budget. But every year we didn’t have to actually use it. There are natural savings that happen over the course of the next 12 months. So even though you look here, it says that first year we used \$170,000. If you look at the actual fund balance you realized it increased. So how did you use fund balance to balance the budget, but at the end of the year, you actually had a surplus and your fund balance grew by three percent. There are two types of math. There is the math that goes into the formulation of the budget. And then there is the audit, which is the actual tracking of the finances that are on the back end.

So, you see up to the fiscal year 2017, we’ve always used a certain percentage of fund balance, but our fund balance continues to grow. And then as we continue to grow right here until the fiscal year 2018, and the decision was made that year to put a large amount of money into road resurfacing, which I think we put in over \$500,000 for street resurfacing that year. We put in some other projects that the council at the time deemed we’re worthy. And so we knew in FY 2018, that we were going to take a hit in our fund balance. Since I’ve been here, we peaked at 42.09% fund balance. That’s going to correlate right here with that fiscal

year 2018. And what happened next was you took \$1.1 million out. We went from 42% to 28% in one year, and then the next year we used approximately \$600,000 and you had a little bit of a leveling. You went from 28% to 27%. It looks like you had a little over 0.6% difference in your savings account fund balance. What happens next is something that didn't occur in the first handful of years, and that's three hurricanes. And what happened is if you have three hurricanes that followed almost back to back to back, and it completely devastated our fund balance. That's not exactly the whole story, though. It would be easy to say that Dorian, Florence, and Matthew were three hurricanes, they came and FEMA owes us a bunch of money and that once we get our FEMA money, it's going to trend back up. We'll put it back in our savings and crisis averted. That's not exactly the whole store. The other half of that story, that's important is the property tax reevaluation when Lenoir County reevaluated its property tax, which it's required to do by state law at least every seven years, you can do it as often as you like, but at least every seven years, you are required to have a property tax reevaluation. The City of Kinston loses seven cents at that budget we got four cents back, which means that we lost three cents. So not only did we have hurricanes, but we also have that continual loss of three-cent from the property tax reevaluation. Before the evaluation a penny was roughly about \$154,000 post property tax evaluation we're looking around \$132,000 and that shows you the kind of the difference that we lost. Now, furloughs are another thing and people say furloughs, what does that mean? When I talk about it, I include myself. I am not above or beyond the idea of myself having to be furloughed, but there's also the link of furlough. And it's also how does one design and implement a furlough process, which are things that HR and myself have had conversations about. And we're looking into what other people do. If it was to be recommended we're not talking about a lengthy furlough. We're not talking about weeks or months at a time what HR and I are talking about, and the reason I've been hesitant to talk about the number of days is just that we're still trying to determine the impact of a day or two days or three days. We're talking about furloughs of less than a week. So less than five actual business days, we know that we can't use furloughs to close the entire gap, and it would also be unfair to employees who also have bills that they have to pay and they expect us as their employer to be able to pay them. So, what we were talking about is that you have a designated period, three to four months, you would allow employees to choose their furlough day. They wouldn't have to be consecutive. So let's say you would take, let's say it was three days. You could choose your three days over three different pay periods. You would have to take one hit at one time. You could also schedule it where you would do it over a holiday season. So, you could go somewhere theoretically between October and December, where an individual would, could take an extra day off work to expand a Thanksgiving holiday or a Christmas holiday. So it's also about if you were going to implement a plan, how does one do it? How do you have the least impact on the employees and all those things are under consideration.

RECESS

Mayor Hardy recessed at 7:04 pm

REGULAR MEETING

Mayor Hardy called the regular City Council meeting to order at 7:12 pm.

Councilmember Antonio Hardy led the prayer followed by the Pledge of Allegiance.

CITIZEN COMMENT

1. **Clifton Grant, 313 British Road**, stated he would like to submit an application for a private entertainment stage at 601 East New Bern Road.
2. **Adele Dawson, 420 Lewis Lane**, asked for consideration of a memorial to Dr. Martin Luther King Jr. on Tiffany Street.

MINUTES

**Consider approval of the minutes of the City Council meeting held Monday, May 18, 2020--
-----Debra Thompson**

Councilmember Aiken made the motion, seconded by Councilmember Swinson and upon a unanimous vote [5-0] the minutes were approved.

ACTION AGENDA

**1. Conduct a Public Hearing on the proposed FY 2020-2021 Annual Operation Budget-----
-----Tony Sears**

Tony Sears, City Manager, stated the total dollar amount for the entire budget is \$111,486,329. That comprises about 20 annual operating funds, and four of those funds total about 81%. The funds that encapsulated the 81% are electric, general, water resource, and wastewater. Mr. Sears stated when talking about this budget and significance of the one and a half million dollars, we have to keep in mind that we have the significant revenue decreases, which we're not going to be sure of what their numbers are going to be until we get into the middle of this budget that we're trying to approve. The amount being used to balance the budget leaves the fund balance at 11.83%. If Kinston sustained another hurricane with similar damage to Matthew the 11% is going to take another big hit.

Councilmember Sammy Aiken asked if the \$500,000 that Smithfield does not have for taxes was included in the one and half million dollars.

Mayor Pro Tem Solomon asked the City Manager to share how much property tax the city receives from Smithfield.

Mr. Sears stated he knew the reduction amount and would have to look up the total amount received from taxes.

Mayor Hardy asked the City Attorney if it was a clause in their actual contract.

Jim Cauley, City Attorney, stated the contract addressed improvements to the property and that period of time had expired. Mr. Cauley also stated that the city was not directly involved and learned about it after the fact.

Councilmember Antonio Hardy asked when the council should have been notified about the situation.

Mr. Sears stated the council was informed that Smithfield had appealed over a year ago. Then in March or April is when the City learned of the judgment of reduction.

Councilmember Hardy made the motion that the Mayor or Mayor Pro Tem sits on these decisions that have been made for types of revenues on businesses, seconded by Councilmember Aiken and upon a unanimous vote [5-0] the motion passed.

Mr. Sears stated he would relay the information to the Lenoir County Tax Department and let them know if they had future tax disputes to make sure the Mayor or Mayor Pro Tem is present.

Mr. Sears stated he would like to read his budget message:

During the past eight years we have presented and implemented eight budgets that have accomplished many in our community. We have taken ownership of the Kinston Community Center debt-free; we have appreciably rehabilitated the Lovett Hines Community Center; we have invested heavily in our downtown in an attempt to become more attractive to small businesses. Our investment in street resurfacing and the removal of blight and dilapidated housing have increased significantly. Public Safety has been restructured into individual departments, Police and Fire, which has improved efficiency and made them more effective in their respective missions. There has also been a renewed focus on obtaining grants and conducting community outreach. I firmly believe that we have and will continue to make positive strides as an organization.

There have also been many difficult challenges. We have survived Hurricanes Matthew, Florence, and Dorian; we endured a property revaluation in 2017 which reduced our total tax valuation; now, we must last the drastic downturn in the economy due to COVID-19. Current data indicates the 2020 census will show a population decrease, making it the third consecutive census with a decrease in population. We have experienced continual increases in health care costs and we have also had to fund mandatory retirement contribution increases. The City has had areas forcibly de-annexed, while also losing the statutory ability to annex. In recent years, the City has seen the number of lawsuits and need for legal services drastically increase.

Compounding the issues we have faced in recent years, the City of Kinston has experienced volatility in our unrestricted General Fund Balance, our largest savings reserve. In 2011 the General Fund balance was 23.18%. From 2011 to 2015 that percentage increased to a peak of 42.09%. In Fiscal Year 2016, a large percentage was used to address needs within our community therefore our fund balance reduced to 28.19%. Over the last three years, there has been a drastic reduction in our reserves due to the aforementioned impacts coupled with several major purchases for public safety. The estimated June 30, 2020, Fund Balance is 17.61%.

The Fiscal Year 20/21 budget is arguably the most difficult budget I have ever overseen. The years of hurricanes, economic downturn, and loss of property value can no longer be managed through the use of appropriated fund balance. This proposed budget will use \$1.5M of reserves to meet the statutory requirement of a balanced budget. While that seems like a lot-- and it is-- it is necessary due to the uncertain amount of revenue we may gain from distributed sales tax, utility franchise taxes, and other non-government revenues moving forward.

In an attempt to limit and offset these revenue imbalances, staff has made reductions in their operating budgets as well as elimination of the majority of all capital (including police cars). While needed and recommended, this budget does not include an increase in property taxes. Staff recognizes the impact that our tax rate has on our citizens, especially during this current economic climate. In order to minimize the use of our remaining fund balance, a careful eye must be maintained during this budget and those to follow throughout the year. Tough decisions will need to be made and those decisions will have an impact on our service delivery; to put it plainly, our City needs to prioritize increasing funds in reserve and reducing operating costs. While this budget does not have any service reductions at this point, it may be necessary through the course of the budget year. I believe and have discussed with Staff that our vacancies will need to be frozen and reviewed on a department by department need to help manage the budget. In addition, serious consideration may be given to furloughs and layoffs as a means of controlling our expenditures.

The national, state and local economies were strong prior to COVID-19 and I believe they will return, despite their current level of uncertainty; However, we do not know when this crisis will end. I believe that, ultimately, municipalities will receive assistance because of the pandemic; that assistance could be beneficial depending on its restrictions. FEMA monies will continue to be reimbursed for Matthew, Florence, and Dorian to help replenish our coffers. This staff is committed to their fiduciary responsibility of operating within the guidelines set forth in this budget. We all understand the need to minimize expenditures to reduce this trend.

I believe with the collective guidance of this board and the dedication of your staff, this current economic period will be managed and Kinston will be better for it. I'm not sure who coined the phrase "Kinston Tough", but, their description of the resiliency of this community could not have been better surmised in two words. Kinston has navigated these waters before and we shall do so again.

Councilmember Aiken asked about organizational support and if funding for the new organizations could be held off until next year.

Mr. Sears stated the process that the council adopted last year was that a dollar amount would be adopted and the council would distribute the funds at a later date.

Mayor Pro Tem Solomon stated she wanted the boys and girls club included as it serves a lot of children in the community.

Mayor Pro Tem Solomon stated she had received notice that her mother was ill and needed to take her to hospital.

Mr. Cauley asked for consensus to excuse Mayor Pro Tem Solomon, and upon a unanimous vote [4-0] consensus was provided to excuse Mayor Pro Tem Solomon.

Mr. Sears asked if the council wanted to move forward with the as is \$400,000 for organizational support.

Mayor Hardy stated that was correct.

Mayor Hardy recessed at 8:56 pm

Mayor Hardy called the regular City Council meeting to order at 9:02 pm.

Councilmember Aiken made the motion to enter into a public hearing, seconded by Councilmember Swinson and upon a unanimous vote [4-0] Mayor Hardy opened the public hearing.

Connie Mintz, 1205 Sweetbriar Circle, stated she did not support giving raises to the Mayor and City Council.

William Heath, 7505 NC Hwy 55 West, stated he did not support salary increases for Council and Mayor.

Mary White, 2902 Ginger Road, stated she opposed any increase in salary for the Council.

Tina McNair, 920 Lynn Drive, asked Council to not approve a raise for the members of City Council.

Debbie Hardee, 120 Briary Run Road, thanked the Mayor and Council for their service to the citizens of Kinston. She stated at this particular time in Kinston that a pay raise to the civil servants is not an item worthy of discussion.

Benita Parker, 801 Darby Avenue, stated she is not in favor of a raise for the Council and Mayor at this time.

John Hewitt, 2316 Woodview Road, stated he is against the proposed raises for Mayor and Council.

Amy Cioffi, 1202 Barbara Lane, stated the budget as written is self-preservation and selfish.

Lanay Moore, 2220 Stallings Drive, stated that she believes that the Mayor and Council should get a raise.

Jason Kops, 2193 Fox Run Drive, stated he did not support a raise for Mayor and Council.

Mr. Cauley stated the public hearing would remain open for 24 hours to allow for additional comments.

2. Consider approval of a bid award to STEP Construction in the amount of \$137,000 to make repairs to the Upper Neuse Sewer Pipe including a manhole point repair and section of pipe-----Rhonda Barwick

Councilmember Aiken made the motion, seconded by Councilmember Swinson and upon a unanimous vote [4-0] the bid award was approved.

3. Consider adoption of the Assistance and Procurement Policy for the Urgent Repair Program-----Adam Short

Councilmember Suggs made the motion, seconded by Councilmember Swinson and upon a unanimous vote [4-0] the policy was adopted.

4. Consider adoption of a Resolution supporting the Economic Development Agency Grant Application-----Adam Short

Councilmember Suggs made the motion, seconded by Councilmember Aiken and upon a unanimous vote [4-0] the following Resolution was adopted.

DRAFT RESOLUTION IN SUPPORT OF THE CITY OF KINSTON’S APPLICATION TO THE EDA ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

WHEREAS, the Public Works and Economic Adjustment Assistance Program (PWEAA) is a program administered by the Economic Development Agency; and

WHEREAS, the PWEAA is a federal EDA program, which funds strategic investments to support economic development, foster job creation, and attract private development; and

WHEREAS, the City of Kinston is dedicated to supporting economic development in the city and surrounding region; and

WHEREAS, the City of Kinston is dedicated to supporting residents and developers build and revitalize the community in alignment with North Carolina Code and City ordinances; and

WHEREAS, the City of Kinston supports the maintenance and construction of all homes at or above the standards in the North Carolina Minimum Housing Code; and

WHEREAS, the City of Kinston is dedicated to improving infrastructure that will allow residents and developers to interact easily with city departments and in accordance with any future public health recommendations; and

WHEREAS, the City of Kinston will obligate \$30,000 in matching funds to be expended specifically on the purchase and use of permitting software and of digital infrastructure for city departments involved in development.

NOW, THEREFORE, BE IT RESOLVED that the City of Kinston City Council supports the application to the Economic Development Agency for funds from the Public Works and Economic Adjustment Assistance to help fund digital infrastructure in Kinston.

5. Consider adoption of an Ordinance to amend the FY 2019-2020 annual operating budget-----Donna Goodson

Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a unanimous vote [4-0] the following Ordinance was adopted.

**AN ORDINANCE TO AMEND THE
FY16-FY21 WATER PROJECTS (W9116)**

WHEREAS, on June 20, 2016 a fund was established to maintain small water/sewer projects that will extend beyond a single fiscal year and will be completed within the FY2016 - FY2021 time allowance, and
WHEREAS, these projects will be funded with a transfer from the Water Fund as well as other funding sources as approved for the scope of work the projects entail, and
WHEREAS, it is necessary to appropriate expenditures related to the various 2020 Sewer Improvements
THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the following Capital Project Budget Ordinance Amendment is adopted as follows:

FY16-FY21 Water Projects	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Transfer from Water Fund	\$ 280,000.00	\$ 670,000.00	\$ 390,000.00
Total Revenues	\$ 280,000.00	\$ 670,000.00	390,000.00
Expenditures:			
Water-Well #14 Reactivation Cost	\$ 90,000.00	\$ 90,000.00	\$ -
Lawrence Hts Water Line Replacement	190,000.00	190,000.00	
2020 Sewer Improvements	-	390,000.00	390,000.00
Total Expenditures	\$ 280,000.00	\$ 670,000.00	\$ 390,000.00

6. Consider adoption of a Resolution authorizing the Grainger Stadium United Carolina Bank Loan Modification-----Donna Goodson

Councilmember Aiken made the motion, seconded by Councilmember Hardy and upon a unanimous vote [4-0] the following Resolution was adopted.

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN
AMENDMENT TO THE INSTALLMENT FINANCING AGREEMENT,
DATED AS OF AUGUST 16, 2018,
BETWEEN THE CITY OF KINSTON AND UNITED COMMUNITY BANK**

BE IT RESOLVED by the City Council (the “Council”) for the City of Kinston, North Carolina (the “City”):

Section 1. The Council does hereby find and determine as follows:

- (a) The City and United Community Bank (the “Lender”) have entered in an Installment Financing Agreement, dated as of August 16, 2018, (the “Original Agreement”) pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended to finance certain improvements to Grainger Stadium as described therein (the “Project”). Pursuant to the Original Agreement, the Lender has advanced moneys to the City in an amount sufficient to pay the cost of the Project, and the City has agreed to repay the advancement in installments, with interest (the “Installment Payments”).
- (b) The City and the Lender have agreed to enter into an Amendment to the Installment Financing Agreement (the “Amendment”) to amend the terms of the Original Agreement to reduce the interest rate on the principal components of the Installment Payments from the current rate thereunder to a rate of 3.50% per annum.
- (c) There has been presented to the Council at this meeting a form of the Amendment to be entered between the City and the Lender.

Section 2. The City is hereby authorized to enter into the Amendment for the purposes described above. The City shall continue to repay the principal installments falling due under the Original Agreement in the amounts and at the times set forth in the Agreement. The interest

installments falling due under the Original Agreement shall be amended to reflect the new interest rate for the Installment Payments in the amounts and at the times set forth in the Original Agreement.

Section 3. The Council hereby approves the Amendment in substantially the form presented at this meeting. The Mayor, City Manager, City Clerk and Finance Director of the City are each hereby authorized to execute and deliver on behalf of the City the Amendment in substantially the form presented at this meeting, containing such insertions, deletions and filling in of blanks as the person executing such documents shall approve, such execution to be conclusive evidence of approval by the Council of any such changes. The City Clerk is hereby authorized and directed to affix the official seal of the City to the Amendment and to attest the same.

Section 4. The Mayor, City Manager, City Clerk, Finance Director, City Attorney and any other officers, agents and employees of the City, are hereby authorized and directed to execute and deliver such closing and other certificates, opinions and other items of evidence as shall be deemed necessary to consummate the transaction described above.

Section 5. This resolution shall take effect immediately upon its passage.

7. Consider adoption of an Ordinance to establish the capital project for 2020 Road Improvements Project (G9144)-----Donna Goodson

Councilmember Aiken made the motion, seconded by Councilmember Swinson and upon a unanimous vote [4-0] the following Ordinance was adopted.

AN ORDINANCE ESTABLISHING THE CAPITAL PROJECT FUND FOR 2020 ROAD IMPROVEMENTS PROJECT (G9144)

WHEREAS, the City of Kinston desires to improve and maintain the roads throughout the City of Kinston to provide safe and attractive transportation routes, and

WHEREAS, the City Council has been provided with a list of streets to be considered for selection upon receipt of bid documents

WHEREAS, the improvements and renovation will be funded from a Transfer from the General Fund

THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the following capital project budget ordinance is hereby adopted:

2020 Road Improvements Project (G9144)

Revenues:

Transfer From General Fund	<u>\$ 529,000.00</u>
Total Revenues	<u>\$ 529,000.00</u>

Expenditures:

Street Resurfacing	<u>\$ 529,000.00</u>
Total Expenditures	<u>\$ 529,000.00</u>

8. Consider adoption of an Ordinance to amend the FY 2016- 2021 Water Projects (W9116)-----Donna Goodson

Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a unanimous vote [4-0] the following Ordinance was adopted.

AN ORDINANCE TO AMEND THE FY16-FY21 WATER PROJECTS (W9116)

WHEREAS, on June 20, 2016 a fund was established to maintain small water/sewer projects that will extend beyond a single fiscal year and will be completed within the FY2016 - FY2021 time allowance, and

WHEREAS, these projects will be funded with a transfer from the Water Fund as well as other funding sources as approved for the scope of work the projects entail, and

WHEREAS, it is necessary to appropriate expenditures related to the various 2020 Sewer Improvements

THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the following Capital Project Budget Ordinance Amendment is adopted as follows:

FY16-FY21 Water Projects	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Transfer from Water Fund	\$ 280,000.00	\$ 670,000.00	\$ 390,000.00
Total Revenues	\$ 280,000.00	\$ 670,000.00	390,000.00
Expenditures:			
Water-Well #14 Reactivation Cost	\$ 90,000.00	\$ 90,000.00	\$ -
Lawrence Hts Water Line Replacement	190,000.00	190,000.00	
2020 Sewer Improvements	-	390,000.00	390,000.00
Total Expenditures	\$ 280,000.00	\$ 670,000.00	\$ 390,000.00

9. Consider adoption of an Ordinance to amend the FY 2016-2021 Storm Water Projects (T9301)-----Donna Goodson

Councilmember Aiken made the motion, seconded by Councilmember Suggs and upon a unanimous vote [4-0] the following Ordinance was adopted.

**AN ORDINANCE TO AMEND THE
FY16-FY21 STORMWATER PROJECTS (T9301)
CAPITAL PROJECT FUND**

WHEREAS, the City Council established the FY16-Fy21 Stormwater Projects fund on June 20, 2016 to maintain small projects that will extend beyond a single fiscal year and will be completed within the FY2016 - FY2021 time allowance, and

WHEREAS, it is necessary to appropriate expenditures related to the rehabilitation of the Massey Drive Stream Project. These expenditures will be funded with a transfer from the Stormwater Fund.

THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the following Capital Project Budget Ordinance is amended as follows:

FY16-FY21 Stormwater Projects	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Transfer from Stormwater Fund	\$ 300,000.00	\$ 478,000.00	\$ 178,000.00
Total Revenues	\$ 300,000.00	\$ 478,000.00	\$ 178,000.00
Expenditures:			
George St. Stormwater Rehabilitation	\$ 110,000.00	\$ 110,000.00	\$ -
Oriental Avenue Stormwater Rehabilitation	130,000.00	130,000.00	-
Tiffany Street Stormwater Rehabilitation	60,000.00	60,000.00	-
Massey Drive Stream Project	-	178,000.00	178,000.00
Total Expenditures	\$ 300,000.00	\$ 478,000.00	\$ 178,000.00

CITY MANAGER’S REPORT

Tony Sears, City Manager, stated given the conversation from earlier in the evening that City Hall would not be open before the next council meeting.

Mayor Hardy stated that was correct.

Mr. Sears advised all work at Holloway has been completed and that portion of the grant has been fulfilled and the HVAC has been installed.

CITY ATTORNEY’S REPORT

The City Attorney had no report.

MAYOR AND COUNCILMEMBER REPORTS

Councilmember Aiken reminded citizens how important it is to complete the census.

RECESS

Mayor Hardy recessed the meeting until Wednesday, June 17, 2020, at 7 pm.

REGULAR MEETING

Mayor Hardy called the regular City Council meeting to order on Wednesday, June 17, 2020, at 7:04 pm.

Those present: Councilmembers Robert Swinson, Sammy Aiken, Kristal Suggs, Antonio Hardy, and Mayor Don Hardy

Also present: Tony Sears, City Manager, and James Cauley, City Attorney

1. Consider adoption of the proposed FY 2020-2021 Annual Operating Budget Ordinance-----Tony Sears

Tony Sears, City Manager, stated during the 24 hours no additional public hearing comments were made.

Mayor Pro Tem Solomon stated the salary increase for the Mayor and Council needed to be removed from the budget.

Mr. Sears advised that had been noted.

Councilmember Hardy made the motion, seconded by Councilmember Suggs and upon a unanimous vote [5-0] the following budget Ordinance was adopted to approve the FY 2020-2021 Annual Operating Budget:

ANNUAL BUDGET ORDINANCE
FOR FISCAL YEAR 2020-2021

BE IT ORDAINED by the City Council of the City of Kinston, North Carolina in regular session assembled:

Section 1: The following amounts are hereby appropriated for the operation of the City’s government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021 according to the following summary and schedules.

<u>SUMMARY</u>	<u>REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$ 24,700,022.00	\$ 24,700,022.00
General Fund Capital Reserve	26,068.00	26,068.00
Kinston Community Center Fund	1,334,408.00	1,334,408.00
Community Development	9,798.00	9,798.00
Water Fund	10,550,795.00	10,550,795.00
Water Resources Capital Reserve Fund	259,000.00	259,000.00
Wastewater Fund	7,052,875.00	7,052,875.00
Wastewater Capital Reserve Fund	-	-
Electric Fund	49,586,855.00	49,586,855.00
Electric Capital Reserve Fund	2,071,400.00	2,071,400.00
Electric Rate Stabilization Reserve Fund	2,401,953.00	2,401,953.00
Environmental Services Fund	4,497,794.00	4,497,794.00
Stormwater Fund	1,060,220.00	1,060,220.00
Public Services Fund	2,274,702.00	2,274,702.00
Employee Health & Insurance Fund	706,791.00	706,791.00
Health Self-Insurance Fund	3,148,364.00	3,148,364.00
Fleet Maintenance Fund	656,679.00	656,679.00
Inventory Fund	576,005.00	576,005.00
Facilities & Property Management Fund	549,000.00	549,000.00
Temple Israel Perpetual Care Fund	300.00	300.00
Subtotal	\$ 111,463,029.00	\$ 111,463,029.00
Less: Internal Service Funds	(7,911,541.00)	(7,911,541.00)
TOTAL BUDGET	\$ 103,551,488.00	\$ 103,551,488.00

Section 2: That for said fiscal year there is hereby appropriated in all funds

REVENUES

GENERAL FUND

Property Taxes	\$ 10,135,935.00	
Other Taxes	6,671,057.00	
Intergovernmental	1,249,338.00	
Sales & Service	1,598,429.00	
Shared Services Reimbursement	2,045,404.00	
Other Revenues	450,638.00	
Proceeds From Borrowing	-	
Interfund Transfers	1,072,521.00	
Appropriated Fund Balance	1,476,700.00	
TOTAL GENERAL FUND		\$ 24,700,022.00

GENERAL FUND CAPITAL RESERVE

Investment Earnings	\$ 44.00	
Interfund Transfers	26,024.00	
Appropriated Fund Balance	-	
TOTAL GENERAL FUND CAPITAL RESERVE		\$ 26,068.00

KINSTON COMMUNITY CENTER FUND

Sales & Services	\$ 1,334,408.00	
Appropriated Fund Balance	-	
TOTAL WOODMEN COMMUNITY CENTER FUND		\$ 1,334,408.00

COMMUNITY DEVELOPMENT FUND

Investment Earnings	\$ 3,000.00	
Other Revenues	6,798.00	
TOTAL COMMUNITY DEVELOPMENT FUND		\$ 9,798.00

WATER FUND

Water Sales	\$ 8,725,000.00	
Investment Earnings	25,000.00	
Other Revenue	274,000.00	
Shared Services Reimbursement	1,468,749.00	
Interfund Transfers	-	
Proceeds From Borrowing	-	
Appropriated Fund Balance	58,046.00	
TOTAL WATER FUND		\$ 10,550,795.00

WATER RESOURCES CAPITAL RESERVE FUND

Investment Earnings	\$	9,000.00	
Interfund Transfers		250,000.00	
Appropriated Fund Balance		-	
TOTAL WATER RESOURCES CAPITAL RESERVE FUND			\$ 259,000.00

WASTEWATER FUND

Sewer Charges	\$	6,380,000.00	
Investment Earnings		-	
Other Revenue		672,875.00	
Interfund Transfers		-	
Proceeds From Borrowing		-	
Appropriated Fund Balance		-	
TOTAL WASTEWATER FUND			\$ 7,052,875.00

WASTEWATER CAPITAL RESERVE FUND

Investment Earnings	\$	-	
Interfund Transfers		-	
Appropriated Fund Balance		-	
TOTAL WASTEWATER CAPITAL RESERVE FUND			\$ -

ELECTRIC FUND

Electric Sales	\$	45,778,300.00	
Investment Earnings		5,000.00	
Other Revenue		3,421,200.00	
Interfund Transfers		382,355.00	
Appropriated Fund Balance		-	
TOTAL ELECTRIC FUND			\$ 49,586,855.00

ELECTRIC CAPITAL RESERVE FUND

Investment Earnings	\$	6,400.00	
Interfund Transfers		2,065,000.00	
Appropriated Fund Balance		-	
TOTAL ELECTRIC CAPITAL RESERVE FUND			\$ 2,071,400.00

ELECTRIC RATE STABILIZATION RESERVE FUND

Investment Earnings	\$	-	
Interfund Transfers		2,401,953.00	
Appropriated Fund Balance		-	
TOTAL ELECTRIC RATE STABILIZATION RESERVE FUND			\$ 2,401,953.00

ENVIRONMENTAL SERVICES FUND

Sales & Services	\$	4,086,238.00	
Investment Earnings		5,000.00	
Other Revenue		52,000.00	
Proceeds From Borrowing		-	
Appropriated Fund Balance		354,556.00	
TOTAL ENVIRONMENTAL SERVICES FUND		<u>354,556.00</u>	<u>\$ 4,497,794.00</u>

STORMWATER FUND

Utility Fees	\$	1,023,300.00	
Investment Earnings		8,000.00	
Other Revenue		24,400.00	
Proceeds From Borrowing		-	
Appropriated Fund Balance		4,520.00	
TOTAL STORMWATER FUND		<u>4,520.00</u>	<u>\$ 1,060,220.00</u>

TEMPLE ISRAEL PERPETUAL CARE FUND

Investment Earnings	\$	300.00	
TOTAL TEMPLE ISRAEL PERPETUAL CARE FUND		<u>300.00</u>	<u>\$ 300.00</u>

EXPENDITURES

GENERAL FUND

General Government	\$	4,130,347.00	
Planning		606,183.00	
Public Safety		11,240,312.00	
Infrastructure		2,067,930.00	
Engineering		676,225.00	
Parks & Recreation		4,291,670.00	
Interfund Transfers & Shared Services Reimbursement		1,026,510.00	
Organizational Support		660,845.00	
TOTAL GENERAL FUND			\$ 24,700,022.00

GENERAL FUND CAPITAL RESERVE

Interfund Transfers & Shared Services Reimbursement	\$	-	
Transfer to Fund Balance		26,068.00	
TOTAL GENERAL FUND CAPITAL RESERVE			\$ 26,068.00

KINSTON COMMUNITY CENTER FUND

Kinston Community Center Operations		1,333,271.00	
Interfund Transfers & Shared Services Reimbursement	\$	1,137.00	
Transfer to Fund Balance		-	
TOTAL WOODMEN COMMUNITY CENTER FUND			\$ 1,334,408.00

COMMUNITY DEVELOPMENT FUND

Community Development	\$	9,798.00	
TOTAL COMMUNITY DEVELOPMENT FUND			\$ 9,798.00

WATER FUND

Water Operations	\$	8,234,952.00	
Interfund Transfers & Shared Services Reimbursement		2,048,757.00	
Debt Service		267,086.00	
TOTAL WATER FUND			\$ 10,550,795.00

WATER CAPITAL RESERVE FUND

Transfer to Fund Balance	\$	259,000.00	
TOTAL WATER CAPITAL RESERVE FUND			\$ 259,000.00

WASTEWATER FUND

Wastewater Operations	\$	2,559,426.00	
Interfund Transfers & Shared Services Reimbursement		2,844,537.00	
Debt Service		1,648,912.00	
TOTAL WASTEWATER FUND			\$ 7,052,875.00

WASTEWATER CAPITAL RESERVE FUND

Transfer to Fund Balance	\$	-	
TOTAL WASTEWATER CAPITAL RESERVE FUND			\$ -

ELECTRIC FUND

Electric Operations	\$	41,915,075.00	
Interfund Transfers & Shared Services Reimbursement		6,980,340.00	
Debt Service		691,440.00	
TOTAL ELECTRIC FUND			\$ 49,586,855.00

ELECTRIC CAPITAL RESERVE FUND

Interfund Transfers & Shared Services Reimbursement	\$	2,071,400.00	
Transfer to Fund Balance		-	
TOTAL ELECTRIC CAPITAL RESERVE FUND			\$ 2,071,400.00

ELECTRIC RATE STABILIZATION RESERVE FUND

Interfund Transfers & Shared Services Reimbursement	\$	-	
Transfer to Fund Balance		2,401,953.00	
TOTAL ELECTRIC RATE STABILIZATION RESERVE FUND			\$ 2,401,953.00

ENVIRONMENTAL SERVICES FUND

Environmental Services Operations	\$	3,121,316.00	
Interfund Transfers & Shared Services Reimbursement		1,002,186.00	
Debt Service		374,292.00	
TOTAL ENVIRONMENTAL SERVICES FUND			\$ 4,497,794.00

STORMWATER FUND

Stormwater Operations	\$	727,607.00	
Interfund Transfers & Shared Services Reimbursement		280,131.00	
Debt Service		52,482.00	
TOTAL STORMWATER FUND			<u>\$ 1,060,220.00</u>

TEMPLE ISRAEL PERPETUAL CARE FUND

Interfund Transfers & Shared Services Reimbursement	\$	300.00	
TOTAL TEMPLE ISRAEL PERPETUAL CARE FUND			<u>\$ 300.00</u>

Section 3: There is hereby levied for the fiscal year ending June 30, 2021, the following rate on each \$100 of assessed valuation of taxable property as listed as of January 1, 2020, for the purpose of raising revenue from current year’s property tax as set forth in the foregoing estimate of revenue, and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.73

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$1,336,000,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 97.16% is based on the previous year’s collections.

Section 4: There is hereby levied for the fiscal year ending June 30, 2021, the following rate of taxes on each \$100 of assessed valuation of property in the Municipal Service District listed as of January 1, 2020, for the purpose of raising revenue from current year’s property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.27

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$26,750,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.84% is based on previous year’s collections.

Section 5: There is hereby levied for the fiscal year ending June 30, 2021, the following rate of taxes on each \$100 of assessed valuation of property in the Global Transpark (GTP) Fire Tax listed as of January 1, 2020, for the purpose of raising revenue from current year’s property tax as set forth in the foregoing estimate of revenue and in order to finance the foregoing appropriations.

TOTAL RATE PER \$100 VALUATION \$.045

The rate is based on an estimated total appraised value of property for the purpose of taxation of \$204,765,000 with an assessment ratio of 100% of appraised value. An estimated collection rate of 96.84% is based on previous year’s collections

Section 6: Privilege licenses and franchise taxes for the privilege of conducting specified businesses and professions within the City of Kinston are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 7: Public Services Streets, Cemetery and Engineering Department fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 8: Department of Planning fees are hereby amended for Zoning Violations daily rate. The Manual of Fees and Charges is hereby amended to reflect the new rate sheet attached. Department of Inspections building permit and inspection fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 9: Police Department fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 10: Department of Fire and Rescue fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 11: Parks and Recreation Department fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 12: Miscellaneous fees and charges are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 13: Kinston Community Center Fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges. The Lion's Water Adventure is hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 14: Water rates are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 15: Wastewater (Sewer) Rates are hereby amended for Residential and Wholesale Service. The Manual of Fees and Charges is hereby amended to reflect the new rate sheet attached.

Section 16: Environmental Service Fees are hereby levied at the rates previously established, authorized and adopted by the City Council of the City of Kinston and outlined in the Manual of Fees and Charges.

Section 17: The budget approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 18: The City Manager is hereby authorized to increase the line item appropriation in the attached budget to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 19: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

PUBLIC SERVICES FUND

INTERNAL SERVICE FUND FINANCIAL PLAN
For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Public Services Internal Service Fund operations:

Section 1 Expenditures

Administration	\$ 816,557.00	
Business Office	983,085.00	
Meter Reading	463,755.00	
Shared Services Reimbursement	11,305.00	
Debt Service	-	
TOTAL PUBLIC SERVICES FUND EXPENDITURES		<u><u>\$ 2,274,702.00</u></u>

Section 2: The following are the estimated revenues for the Public Services Internal Service Fund operations:

Section 2 Revenues

Shared Services Reimbursement	\$ 2,249,638.00	
Investment Earnings	11,200.00	
Appropriated Fund Balance	13,864.00	
TOTAL PUBLIC SERVICES FUND REVENUES		<u><u>\$ 2,274,702.00</u></u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

EMPLOYEE HEALTH & INSURANCE FUND
INTERNAL SERVICE FUND FINANCIAL PLAN
For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Employee Health & Insurance Internal Service Fund operations:

Section 1 Expenditures

Employee Health	\$ 177,155.00	
Worker’s Compensation	378,700.00	
Risk Management	138,137.00	
Shared Services Reimbursement	<u>12,799.00</u>	
TOTAL EMPLOYEE HEALTH & INSURANCE FUND EXPENDITURES		<u>\$ 706,791.00</u>

Section 2: The following are the estimated revenues for the Employee Health & Insurance Internal Service Fund operations:

Section 2 Revenues

Investment Earnings	\$ 4,100.00	
Shared Services Reimbursement	702,691.00	
Appropriated Fund Balance	-	
TOTAL EMPLOYEE HEALTH & INSURANCE FUND REVENUES		<u>\$ 706,791.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**HEALTH SELF INSURANCE FUND
INTERNAL SERVICE FUND FINANCIAL PLAN
For the Fiscal Year July 1, 2020 - June 30, 2021**

Section 1: The following are the estimated expenditures for the Health Self Insurance Fund operations:

Section 1 Expenditures

Self Insured Health Benefits	\$ 2,720,767.00	
Transfers to Fund Balance	<u>427,597.00</u>	
TOTAL HEALTH SELF INSURANCE FUND EXPENDITURES		<u>\$ 3,148,364.00</u>

Section 2: The following are the estimated revenues for the Health Self Insurance Fund operations:

Section 2 Revenues

Health Insurance Premiums Collected	\$ 3,030,325.00	
Investment Earnings	500.00	
Shared Services Reimbursement	<u>117,539.00</u>	
TOTAL HEALTH SELF INSURANCE FUND REVENUES		<u>\$ 3,148,364.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**FLEET MAINTENANCE FUND
INTERNAL SERVICE FUND FINANCIAL PLAN
For the Fiscal Year July 1, 2020 - June 30, 2021**

Section 1: The following are the estimated expenditures for the Fleet Maintenance Internal Service Fund operations:

Section 1 Expenditures

Fleet Maintenance	\$ 653,153.00	
Shared Services Reimbursement	3,526.00	
Debt Service	<u>-</u>	
TOTAL FLEET MAINTENANCE FUND EXPENDITURES		<u>\$ 656,679.00</u>

Section 2: The following are the estimated revenues for the Fleet Maintenance Internal Service Fund operations:

Section 2 Revenues

Shared Services Reimbursement	\$ 652,316.00	
Labor Sales Fleet Maintenance	-	
Appropriated Fund Balance	<u>4,363.00</u>	
TOTAL FLEET MAINTENANCE FUND REVENUES		<u>\$ 656,679.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**INVENTORY FUND
INTERNAL SERVICE FUND FINANCIAL PLAN
For the Fiscal Year July 1, 2020 - June 30, 2021**

Section 1: The following are the estimated expenditures for the Inventory Internal Service Fund operations:

Section 1 Expenditures

Fuel Purchases	\$ 564,005.00	
Transfers to Fund Balance	<u>12,000.00</u>	
TOTAL INVENTORY FUND EXPENDITURES		<u>\$ 576,005.00</u>

Section 2: The following are the estimated revenues for the Inventory Internal Service Fund operations:

Section 2 Revenues

Reimbursement of Fuel Purchases	<u>\$ 576,005.00</u>	
TOTAL INVENTORY FUND REVENUES		<u>\$ 576,005.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5: The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations including capital outlay shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

**FACILITIES AND PROPERTY MAINTENANCE FUND
INTERNAL SERVICE FUND FINANCIAL PLAN**

For the Fiscal Year July 1, 2020 - June 30, 2021

Section 1: The following are the estimated expenditures for the Facilities and Property Maintenance Internal Service Fund operations:

Section 1 Expenditures

Building and Grounds/City Hall	\$ 201,000.00	
Miscellaneous Properties	113,200.00	
Building and Grounds/Public Service Complex	192,400.00	
Transfers to Fund Balance	42,400.00	
TOTAL FACILITIES AND PROPERTY MAINTENANCE EXPENDITURES		<u>\$ 549,000.00</u>

Section 2: The following are the estimated revenues for the Facilities and Property Maintenance Internal Service Fund operations:

Section 2 Revenues

Shared Services Reimbursement	\$ 548,000.00	
Investment Earnings	1,000.00	
Appropriated Fund Balance		
TOTAL FACILITIES AND PROPERTY MAINTENANCE REVENUES		<u>\$ 549,000.00</u>

Section 3: The financial plan approved by this ordinance may be reviewed by the City Council after the end of each quarter and shall be subject to modification by ordinance if the actual revenues and necessary expenditures are found to differ substantially from the estimates contained herewith.

Section 4: The City Manager is hereby authorized to increase the line item appropriation in the attached financial plan to cover those purchase orders which were issued prior to June 30, 2020, but not filled prior to that date, and is authorized to pay for all goods or services received pursuant to such purchase orders from all funds so appropriated. The City Manager shall report to the City Council all such purchase orders.

Section 5 The City Manager shall have the authority to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations shall not be increased. Funds cannot be transferred from one department to another without prior approval of the City Council.

ADJOURNMENT

Councilmember Aiken made the motion, seconded by Councilmember Suggs and upon a unanimous vote [5-0] the City Council meeting adjourned on Wednesday, June 17, 2020, at 7:26 pm.

Respectfully submitted,

Joanna Rose, Deputy City Clerk