

MINUTES
King City Council
Called Budget Workshop
May 12, 2022

The King City Council met in a called session to conduct a budget workshop at King City Hall on Thursday, May 12, 2022, at 2:00 pm. Present were: Councilman Michael Lane, Councilwoman Jane Cole, Mayor Pro Tempore Rick McCraw, Mayor Jack Warren, Interim City Manager Scott Barrow, City Clerk Nicole Branshaw, Director of Finance & Personnel Susan O'Brien. Councilwoman Terri Fowler was present via Livestream.

Mayor Warren called the meeting to order.

Chaplain Norman offered the invocation.

FY 2021-22 BUDGET WORKSHOP

A discussion was held concerning a handout given out by Director of Finance & Personnel Susan O'Brien labeled "*Changes Revisions, Etc...*" (**marked Document 1.**) A new updated Ordinance Number 2022-03 was handed out to Council to replace what was previously in the FY 2022-23 Budget Workbook (**marked Document 2.**) Replacement sheets were given out to replace any changes that have been currently updated in prior FY 2022-23 Budget Workshops.

The consensus is that the Council agrees that all changes listed in **Document 1** have been voted on and approved by all Council members up to this point. Further discussion on the following was held:

Solid Waste

Interim City Manager Barrow discussed a requested increase for collections/disposal line items due to a request made by our contractor. Our contractor who picks up our solid waste is asking for an increase in his fuel surcharge. This request has been made due to the increase in fuel charges. This request can only be made at the time of contract renewal.

MOTION

Councilwoman Cole made a motion to add \$17,772 to Solid Waste under Contracted Services. Councilman Lane seconded the motion, which was carried by a unanimous vote of 4-0 by role call.

Parks/Rec

A discussion was held concerning a tractor that has been requested to be replaced at Central Park. Interim City Manager Barrow recommended removing this request because the large tractor only needs to be used a few times a year. An agreement with Superintendent of Public Works Ricky Lewis that the tractor at the Maintenance Shop can be used over at Central Park when needed.

MOTION

Councilman Lane made a motion to remove the tractor from the Parks/Rec budget. Mayor Pro Tempore McCraw seconded the motion, which was carried by a unanimous vote of 4-0 by role call.

Finance

A discussion was held concerning the HR Specialist position initially requested and approved by Council at a pay grade 16. Director of Finance & Personnel Susan O'Brien is asking that the pay grade for this position be brought down to pay grade 14. Director of Finance & Personnel Susan O'Brien is also now requesting an additional position of an Accounting Specialist. This Accounting Specialist position is being requested at a Grade 14 pay level, and this position would be a reclassification of another position currently held.

MOTION

Mayor Pro Tempore McCraw made a motion to add an HR Specialist at pay grade 14 and reclassify an existing position as an Accounting Specialist at pay grade 14. Mayor Pro Tempore McCraw seconded the motion, which was carried by a unanimous vote of 4-0 by role call.

GENERAL CONCERNS

Mayor Warren would like to see the outside of the City Hall Building cleaned. The Council directed Interim Scott Barrow to get bids for this work.

MOTION

Mayor Pro Tempore McCraw made a motion to approve the FY 2022-23 Budget as presented to have a public hearing at the June 6, 2022, City Council Regular Meeting. Councilman Lane seconded the motion, which was carried by a unanimous vote of 4-0 by roll call.

CONSIDERATION OF RESOLUTION AUTHORIZING THE CITY OF KING TO EXECUTE TRUST BUSINESS WITH FIRST HORIZON BANK

Resolution is needed to update the City personnel designated to do business with First Horizon Bank, including signing checks.

MOTION

Councilwoman Cole made a motion to approve Resolution 2022-08 authorizing the City of King to execute trust business with First Horizon Bank. Mayor Pro Tempore McCraw seconded the motion, which was carried by a unanimous vote of 4-0 by roll call. *****Document 3*****

CONSIDERATION OF BUDGET AMENDMENT 2021-03.11

This amendment adds \$10,000 to GF Finance for additional tax collection fees that will be offset by Ad Valorem Tax Revenues and \$40,568 as a substitution for salaries that a transfer from ARP Funds will offset. The amendment also adds \$30,504 to the Police Department for additional Standby payroll expenses of \$5,000, \$23,593 for vehicle insurance repairs, and \$1,911 for security cameras, offset by revenues. The amount of \$3,500 is added to Parks/Rec for tee pads at the disc golf course that a donation will offset, and the amount of \$30,000 is added to Parks/Rec for additional work at the Veterans Memorial Fountain that will use GF Fund Balance.

MOTION

Councilwoman Cole made a motion to approve budget amendment 2021-03.11. Councilman Lane seconded the motion, which was carried by a unanimous vote of 4-0 by roll call. *****Document 4*****

ADJOURNMENT

Mayor Pro Tempore McCraw moved to adjourn the meeting. Councilwoman Cole seconded the motion, which was carried by a unanimous vote of 4-0.

Attest:

Approved by:

Nicole Branshaw
City Clerk

Jack Warren
Mayor

*****Clerks Note: See Documents 1-4 for supporting documents.*****

CHANGES, REVISIONS, ETC...

<p>TAB 2 Budget Ordinance/Fee Schedule revised ordinance chg'd section 12b</p>	<p>TAB 5 continued P&R decrease PT salaries add for t-ball field remove vehicle add tractor</p>
<p>TAB 4 GF Revenue chg'd page 2 Proc. fr. Installment Purch.</p>	<p>Library incr prof svc incr bldg repairs</p>
<p>TAB 5 GF Expend. Gov. Body remove COLA add 1 Y membership add \$\$ for training and travel</p>	<p>Sr. Ctr add back \$5100 that was cut add for appliances</p>
<p>Finance HR specialist position incr Contr. Svc.</p>	<p>GF Non-Dept contingency= 89,595</p>
<p>Planning remove truck</p>	<p>GF debt svc add for 2 cars & salt trk</p>
<p>PD remove positions incr stanby salaries remove AFIS remove 3 cars</p>	<p>TAB 6 EF Revenue adjusted fund balance appropriated</p>
<p>FD reclass position and add 1 FF incr equipment leases</p>	<p>TAB 7 EF Expend. Gov Body remove COLA add 1 Y membership add \$\$ for training and travel</p>
<p>Streets add 1 employee add salt/spreader truck</p>	<p>Finance HR specialist position</p>
<p>Solid Waste incr for collections/disposal</p>	<p>WTP corrected salaries add mower EF non-dept add projects expense (ARP)</p>

BOARD: City Council
 DATE: MAY 12, 2022
 DOCUMENT #: 1 PAGES 1

ORDINANCE NUMBER 2022-03
AN ORDINANCE APPROPRIATING FUNDS FOR FISCAL YEAR 2022-23

NOW, BE IT ORDAINED BY THE City Council of the City of King:

Section 1. That revenues for the GENERAL FUND be established as follows:

Ad Valorem & Prior Years Taxes	BOARD: <u>City Council</u>	\$3,639,058
Unrestricted Intergovernmental Revenue	DATE: <u>MAY 12, 2022</u>	2,199,214
Restricted Intergovernmental Revenue	DOCUMENT #: <u>2</u> PAGES <u>5</u>	1,470,100
Permits & Fees		269,500
Sales and Services		52,000
Other Revenues		122,550
Other Financing Sources		2,130,864
<u>Fund Balance Appropriated</u>		<u>0</u>
Total General Fund Revenues		9,883,286

The expenditures for the GENERAL FUND be appropriated as follows:

Governing Body	55,437
Administration	133,257
Finance	178,697
Public Buildings	21,938
Planning & Inspections	227,054
Police	2,685,629
Fire	2,301,902
Community Development	11,325
Street	383,643
Public Works	262,313
Solid Waste	448,947
Parks and Recreation	346,925
Library	16,080

Senior Center	127,915
Non-Departmental	2,166,607
Debt Service	515,617
Total	9,883,286

Section 2. That there is hereby levied a tax rate of forty-seven and 0/100 cents (\$0.47) per one hundred dollars assessed valuation on all real property and other applicable property within the City of King, such rate based upon an estimated total assessed valuation of property for purposes of taxation of \$761,330,719 and an estimated collection rate of 97.46% through June 30, 2023.

Section 3. That revenues for the ENTERPRISE FUND be established as follows:

Operations	\$9,959,500
Penalties and Interest	65,000
Other Financing Sources	77,992
Fund Balance Appropriated	426,849
Total Enterprise Fund Revenues	10,529,341

That expenditures for the ENTERPRISE FUND be appropriated as follows:

EF Governing Body	55,452
EF Administration	215,716
EF Finance	427,697
EF Engineering	177,699
Water Operations	1,235,024
Water Distribution	1,243,580
Wastewater Operations	1,731,746
Wastewater Maintenance	4,023,165
Non-Departmental	182,700
EF Debt Service	1,236,562
Total	10,529,341

Section 4. That revenues for the Law Enforcement Forfeiture - Federal Fund be established as follows:

Revenue	1
Fund Balance Appropriated	3,532
Total Law Enforcement Forfeiture Fund Revenues	3,533

The expenditures for the Law Enforcement Forfeiture - Federal Fund shall be appropriated as follows:

Law Enforcement Forfeiture - Federal Funds Expenditures	3,532
<u>Total Law Enforcement Forfeiture - Federal Fund Expenditures</u>	<u>3,532</u>

Section 5. That revenues for the Law Enforcement Forfeiture - State Fund be established as follows:

Revenue	500
<u>Fund Balance Appropriated</u>	<u>14,474</u>
<u>Total Law Enforcement Forfeiture Fund Revenues</u>	<u>14,974</u>

The expenditures for the Law Enforcement Forfeiture - State Fund shall be appropriated as follows:

Law Enforcement Forfeiture - State Fund Expenditures	14,974
<u>Total Law Enforcement Forfeiture - State Fund Expenditures</u>	<u>14,974</u>

Section 6. That a Capital Reserve fund be maintained for 1) public safety capital purchases and 2) repairs to capital assets which will prolong the life of those assets. This Capital Reserve fund shall be funded by a Motor Vehicle Tax and transfers from the General Fund as Council deems necessary for future capital purchases. This Capital Reserve fund is created for a period of 10 years for the purpose of reserving as much as \$1,000,000 for various public safety needs. This fund is the "PUBLIC SAFETY CAPITAL RESERVE FUND."

That the balance of the PUBLIC SAFETY CAPITAL RESERVE FUND be amended as follows:

<u>Beginning Balance at July 1, 2022</u>	<u>2</u>
Totals	2

That transfers in to the PUBLIC SAFETY CAPITAL RESERVE FUND be amended as follows:

<u>Interfund Transfer from General Fund in FY 22-23</u>	<u>0</u>
Totals	0

That transfers out of the PUBLIC SAFETY CAPITAL RESERVE FUND be amended as follows:

<u>Interfund Transfer to the General Fund in FY 22-23</u>	<u>2</u>
Totals	2

That the reserve for the PUBLIC SAFETY CAPITAL RESERVE FUND be amended as follows:

Reserve for Public Safety Capital Purchases	0
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Section 7. That a Capital Reserve fund be maintained for 1) Enterprise Fund capital expenditures and 2) repairs to capital assets which will prolong the life of those assets. This Capital Reserve fund will be funded by Water & Sewer revenues from the Enterprise fund for future capital purchases. This Capital Reserve fund is created for a period of 10 years for the purpose of reserving as much as \$1,000,000 for various Enterprise fund needs. This fund is called "WATER/SEWER CAPITAL RESERVE FUND."

That the reserve for the WATER/SEWER CAPITAL RESERVE FUND remain unchanged at the following reserve:

<u>Balance at July 1, 2022</u>	<u>14,987</u>
Totals	14,987

That transfers in to the WATER/SEWER CAPITAL RESERVE FUND be amended as follows:

<u>Interfund Transfer from Enterprise Fund in FY 22-23</u>	<u>0</u>
Totals	0

That transfers out of the WATER/SEWER CAPITAL RESERVE FUND be amended as follows:

<u>Interfund Transfer to the Enterprise Fund in FY 22-23</u>	<u>14,992</u>
Totals	14,992

That the reserve for the WATER/SEWER CAPITAL RESERVE FUND be amended as follows:

Reserve for Water/Sewer Capital Purchases	0
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Section 8. That revenues for the American Rescue Plan (ARP) Fund be amended as follows:

<u>Revenue</u>	<u>2,186,583</u>
Total American Rescue Plan (ARP) Fund Revenues	2,186,583

The expenditures for the American Rescue Plan (ARP) Fund shall be amended as follows:

<u>American Rescue Plan (ARP) Fund Expenditures</u>	<u>2,186,583</u>
Total American Rescue Plan (ARP) Fund Expenditures	2,186,583

Section 9. That revenues for the SCIF Grant Fund be continued as follows:

<u>Revenue</u>	<u>1,000,000</u>
Total SCIF Grant Fund Revenues	1,000,000

The expenditures for the SCIF Grant Fund shall be continued as follows:

<u>SCIF Grant Fund Expenditures</u>	<u>1,000,000</u>
Total SCIF Grant Fund Expenditures	1,000,000

Section 10. That revenues for the WWTP Grant Fund be established as follows:

<u>Revenue</u>	<u>22,000,000</u>
Total WWTP Grant Fund Revenues	22,000,000

The expenditures for the WWTP Grant Fund shall be established as follows:

<u>WWTP Grant Fund Expenditures</u>	<u>22,000,000</u>
Total WWTP Grant Fund Expenditures	22,000,000

Section 11. That the Schedule of Fees and Charges for Fiscal Year 2022-23 is herein adopted by reference.

Section 12. That the City Manager, as Budget Officer, be authorized to transfer appropriations under the following conditions:

- a. He may transfer appropriations within a department without limit.
- b. He may transfer appropriations up to fifteen thousand (\$15,000) between departments of the same fund for each of the first three quarters of the fiscal year, and up to twenty thousand dollars (\$20,000) between departments of the same fund for the fourth quarter of the fiscal year with an official report on such transfers provided at the next regular meeting of the City Council.
- c. He may not transfer any amounts between funds.

Section 13. That this budget ordinance be entered into the minutes of the Council and, after adoption, copies thereof shall be filed with the Director of Finance and Personnel, Budget Officer and Clerk to the City Council.

Adopted this the 6th day of June, 2022.

Attest:

Jack Warren, Mayor

Nicole Branshaw, City Clerk

BOARD: City Council

DATE: MAY 12

DOCUMENT #: 3 PAGES 1

**City of King
Resolution No. 2022-08
Resolution Authorizing City of King to Execute
Trust Business with First Horizon Bank**

I, the undersigned, hereby certify that I am the City Clerk of the above named City of King which is duly organized and existing under the laws of the State of North Carolina; that the following is a true copy of the Resolution duly adopted by the City Council of the City of King effective on the 10th of May 2022.

BE IT RESOLVED that the officers listed below are authorized Representatives of the City of King with the authority to execute all Trust business on behalf of the City of King with First Horizon Bank.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jack Warren	Mayor	_____
Susan O'Brien	Director of Finance and Personnel	_____
Scott Barrow	City Manager	_____

I further certify that this Resolution has neither been rescinded nor modified.

Witness my hand and seal of the City of King this 10th date of May 2022.

Signature: _____

Print Name: _____

Title: _____

Be it hereby ordained by the City Council of the City of King that the following amendment be made to the Budget Ordinance adopted on the 7th day of June, 2021, as follows:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>General Fund Expenditures</u>	<u>Decrease</u>	<u>Increase</u>	<u>New Approp.</u>
Finance		10,000	142,567
Police		30,504	2,631,288
Parks & Recreation		33,500	419,980
Special Appropriations		40,568	460,367
Total	0	114,572	

This will result in an increase in the expenditures of the General Fund. The above changes in expenditures will require an adjustment to revenues as follows:

<u>General Fund Revenues</u>	<u>Decrease</u>	<u>Increase</u>	<u>New Approp.</u>
GF Revenues		84,572	7,809,406
GF Fund Balance Appropriated		30,000	151,015
Total	0	114,572	

Section 2. To amend the Enterprise Fund, the expenditures are to be changed as follows:

<u>Enterprise Fund Expenditures</u>	<u>Decrease</u>	<u>Increase</u>	<u>New Approp.</u>
Special Appropriations		29,243	211,188
Total	0	29,243	

This will result in an increase in the expenditures of the Enterprise Fund. The above changes in expenditures will require an adjustment to revenues as follows:

<u>Enterprise Fund Revenues</u>	<u>Decrease</u>	<u>Increase</u>	<u>New Approp.</u>
EF Revenues		29,243	10,096,340
Total	0	29,243	

Section 3. Copies of the budget amendment shall be furnished by the City Clerk to the City Council to the Mayor, Budget Officer and Finance Director for their directions.

Adopted this the _____ day of _____, 2022.

Attest:

Jack Warren, Mayor

Nicole Branshaw, City Clerk

Budget Amendment #11

<u>Department</u>	<u>Description</u>	<u>Amount</u>	<u>Offset</u>
Finance	Additional Tax Collection Costs	10,000	Ad Valorem Tax Revenues
Police	Standby Costs	5,000	Standby Revenues
	Insurance Repairs for damaged vehicles	23,593	Insurance Proceeds
	Security Cameras	1,911	Grant Revenue
Parks & Recreation	Central Park Veterans Memorial Fountain	30,000	Fund Balance (loan proceeds rolled into FB at 06-30-21)
	Recreation Acres Disc Golf Tee Pads	3,500	Donation
GF Non-Departmental	Salary Substitution from ARP Funds	40,568	ARP Funds
EF Non-Departmental	Salary Substitution from ARP Funds	29,243	ARP Funds