

PRESENT: Mayor William L. Lewis, Jr.; Commissioners Tyrone Cantey, Josh Kohr, Karen Lewis, Danny Walsh, and Brenda Wilson

STAFF

PRESENT: City Manager Chris McGee; Assistant City Manager Cindy Morgan; Parks & Recreation Director Travis Adams; Leisure Program Coordinator Kelvin Hardesty; IT Director Chad Ives; Police Chief Chris Morning; Planning Director Katrina Marshall; Finance Director Lee Tillman; Fire Chief Tom Dorn; Public Works Director Patrick Lee; Public Utilities Director Rick Day; TEC Sales Manager Pam Holder; Human Resources Manager Angie Hall; Public Information Officer Greta Meadows; and City Clerk Mary Weigl

Mayor Will Lewis called the third budget work session meeting of the Havelock Board of Commissioners to order at 9:03 a.m. on May 11, 2023 at Havelock City Hall with a quorum present. Mayor Will Lewis then recessed the meeting until Commissioner Wilson could arrive.

Mayor Will Lewis called the recessed meeting to order at 10:18 a.m. and provided Commissioner Wilson with a brief overview of the May 10, 2023 budget work session meeting issue papers.

BUDGET DISCUSSIONS

The following was provided as a reminder of the actions taken at the last budget meeting:

Fund	Department	Item	Requested	Action
General	Governing Body	Library Funding	\$11,375	FUND \$6,000
General	Recreation	Appearance Commission	\$4,352	FUND \$3,800
General	TEC	Main Hall Flooring	\$60,000	NOT FUNDED
General	TEC	Main Hall Rehab Phase II	\$195,000	NOT FUNDED
General	Recreation	Gymnasium Renovation	\$160,000	NOT FUNDED
General	Fire/EMS	Medic 234 Replacement	\$160,000	NOT FUNDED
General	Fire/EMS	Ladder 231	\$120,000	NOT FUNDED
General	Fire/EMS	3 Firefighter / EMTs	\$157,024	NOT FUNDED
General	Fire/EMS	2 Paramedics	\$133,602	PARKING LOT
General	Fire/EMS	Career Development	\$17,032	PARKING LOT
General	Police Department	Career Development	\$15,250	NOT FUNDED
General	Telecommunications	Career Development	\$8,875	NOT FUNDED
Fund	Department	Item	Requested	Action
Sewer	Sewer	Sewer Capital Needs	\$29,000,000	Keep existing Vector trucks and request mutual aid if available as needed, along with hiring a contractor if possible. The Board also provided direction for Staff to obtain a quote to repair the 2000 truck with the funds for the repair to be paid out of Sewer Retained Earnings, if the Board decides to move forward with repairing the truck.

The following was provided as a reminder of the potential cut list discussions from the last budget meeting:

- Animal Control
- Hwy 70 Mulching
- Recreation Center Programs
- Recreation Center Hours
- Senior Center
- Cultural Events
- City-wide grass cutting

98

99 With the public hearing scheduled for May 22nd, the following was summarized as the Board's
100 direction:

101

102 **Utility Rates:**

- | | | |
|-----|---------------------------------|---------------------------------|
| 103 | • Water, Sewer & Solid Waste | 6.4% CPI (Consumer Price Index) |
| 104 | • New Sewer Capital Reserve Fee | \$12.00 |
| 105 | • System Development Fee | Propose at Max Rate |

106

107 **Tax Rate:**

- | | | |
|-----|-----------------------------------|------------------------------------|
| 108 | • Budget balanced at tax rate .68 | |
| 109 | • Stormwater Fee | \$4.00 per ERU (Starting Jan 2024) |
| 110 | • Municipal Vehicle Fee | \$15.00 per Tag |

111

112 **CLOSING**

113

114 Mayor Lewis reminded the Board of the following upcoming meeting schedule:

115

- | | | |
|-----|-------------------------|---|
| 116 | • Monday, May 22, 2023 | Public Hearing at City Hall |
| 117 | • Tuesday, June 6, 2023 | Listening Session at La Casa Del Patron |
| 118 | • Monday, June 12, 2023 | Final Budget Workshop at TEC |
| 119 | • Monday, June 26, 2023 | FY 2023-24 Budget Adoption |

120

121 **COMMISSIONERS REPORTS/COMMENTS**

122

123 Commissioner Wilson stated that she hates that this is where we are, but she understands that this
124 is the fix.

125

126 Commissioner Kohr thanked the Staff. He stated he understands that this has been a hard process.

127

128 Commissioner Cantey stated that he appreciates the Staff for their hard work.

129

130 Commissioner Lewis stated that this has been a tough budget process, with good discussions.
131 She appreciates everyone and their hard work.

132

133 Commissioner Walsh had no comments.

134

135 **CITY MANAGERS COMMENTS**

136

137 City Manager Chris McGee thanked the Board for their time.

138

139 **MAYOR'S REPORTS/COMMENTS**

140

141 Mayor Lewis thanked the Staff for their time.

142

143 **ADJOURNMENT/RECESS**

144

145 With there being no other business to discuss, Commissioner Josh Kohr made a **motion to**
146 **adjourn**. Commissioner Cantey seconded and the motion carried unanimously. (5-0)

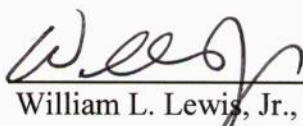
147

148 The meeting adjourned at 12:58 p.m.

149

150 Date approved: 10.26.2023

151


William L. Lewis, Jr., Mayor

152 Attest:

153

154 Mary C. Weigl

155 Mary C. Weigl
156 City Clerk

- 36 • BOC Stipend
- 37 • BOC Travel

38
39 Commissioner Kohr questioned how much money the City would save by cutting the
40 Commissioners health insurance benefits. It was relayed that the Commissioners pay for any
41 health insurance that they choose to participate in. Because the City is self-insured, by cutting
42 the Commissioners health insurance benefits, the City would only reduce their liability.

43
44 In regards to the 6.4% COLA and 1.7% longevity, Mayor Lewis relayed that the \$413,000 for
45 COLA and \$115,00 for longevity would be funded out of the General Fund. Understanding that
46 for every one percentage the COLA is dropped, it saves approximately \$64,000 in the General
47 Fund, Commissioner Kohr asked Staff what their view is of cutting the proposed COLA and
48 longevity in half. Commissioner Walsh questioned the value in giving a Christmas bonus versus
49 longevity pay. City Manager Chris McGee reminded the Board that neighboring municipalities
50 are giving the same, if not larger COLAs, and fears employee loss if the Board cuts this item,
51 because the City is already behind other municipal employers in pay.

52
53 Moving on, Commissioner Kohr stated that he would like the Board to again consider cutting
54 Animal Control out of the budget, saving the City \$120,000. City Manager Chris McGee relayed
55 that the City could liquidate the Animal Control truck. However, Finance Director Lee Tillman
56 shared that cutting Animal Control would likely cost the City in unemployment compensation
57 for one (1) full time employee and possibly two (2) part time employees. The existing issues with
58 dogs and cats within the City would remain. Human Resources Manager Angie Hall relayed
59 that cutting the Animal Control positions would actually only cut \$64,700 from the budget.

60
61 Commissioner Walsh suggested closing the Recreation Center or amending their days/hours of
62 operation and eliminating Medic 235 and the Quint from the budget.

63
64 Commissioner Lewis reminded the Board that this tax increase has been coming, because the
65 Board has not raised taxes for years, as they should have been. Disagreeing with cutting any
66 services, she stated that the City will not be attractive to new businesses if there are no quality of
67 life services for the citizens.

68
69 Commissioner Wilson agreed with Commissioner Lewis stating that citizens from outside of
70 Havelock also attend the events in the Park and have expressed their appreciation for these events.

71
72 In regards to Fire/EMS, Commissioner Walsh then asked what the savings would be if the City
73 stopped providing fire service to the citizens, thus having just a volunteer fire department. City
74 Manager Chris McGee relayed that if that were to happen, the rules of employment change, the
75 City would have to hire more EMS employees to cover the gap of a 40-hour work week, and that
76 would cost the City more money. Lastly, in doing a budget cut such as this, citizens insurance
77 rates would increase significantly due to the ISO fire rating increasing.

78
79 Commissioner Cantey questioned if there are any full time positions that could be cut to part time
80 or eliminated altogether. City Manager Chris McGee replied the City is already functioning with
81 40 fewer employees than other City's this size, and further stated that most employees are doing
82 the work of one and a half, or more employees.

83
84 **CUT LIST**

85
86 After extensive discussion, the following items were added to the cut list:

- 87
- 88 • Hwy 70 Mulching \$50,000
- 89 • ADC Conference for Commissioners \$12,000
 - 90 ○ Mayor and Manager not cut
- 91 • Fuel \$34,426
 - 92 ○ With the understanding that additional fuel funding requests will come out of the
 - 93 Managers Contingency Fund, requiring BOC action.
- 94

95 Mayor Lewis reminded the Board that cutting this \$96,426 brings the tax rate down to .68 cents.

96
97 **PUBLIC HEARING DIRECTION**