



City of Columbia, Missouri

Meeting Minutes

City Council

Monday, August 26, 2019
9:00 AM

Budget Work Session

Council Chamber
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

The meeting was called to order at approximately 9:00 am. Mr. Thomas arrived at 9:06 am.

Present: 7 - Ruffin, Trapp, Thomas, Peters, Treece, Skala, and Pitzer

City Manager Overview

Attachments: [\(Revised\) Full FY 2020 Budget Council Work Session Presentation](#)
[Full FY 2020 Budget Council Work Session Presentation](#)

City Manager John Glascock stated that this budget is talking about what is supplied to residents and he is working to ensure it is stable and that revenues and expenses stay together. Total expenditures are \$484,964,968 and revenues are \$455,586,509. He reviewed the four goals for FY2020: focus on operational excellence through our employees; provide employees with an increase in compensation that is fair; stem growing staff turnover, long term vacancies and lack of applicants; and continue working on the goals of the Strategic Plan. Challenges are turnover, and general fund sales tax revenue declining. The proposed budget assumes a 1.75% decline in sales tax growth for FY19 and FY20. Councilperson Trapp stated that a budget should assume the worst and he feels a 2.25% decline is more realistic for 2020. Councilperson Pitzer stated that even with adjustments in FY18, the final number ended up being about \$700,000 ahead on sales tax. Ms. Peveler stated that she does not believe we will ever do better than 2.37% and likely will be at 2.45% or 2.5%. Mr. Pitzer asked why the sales tax receipts are down. Ms. Peveler stated building permits are down and water usage may be down since we had such a wet July. Mr. Glascock added that there are also no more proposed large housing projects being built as there had been in recent past years. This is also the first year there has been an increase in enrollment at MU, so there may be some increases coming from that.

Mr. Glascock recommended that the general fund use \$1,144,650 to replace fleet vehicles and recommended the adoption of the pay ranges recommended by Paypoint HR, move classifications to recommended pay grades, provide a move to minimum for those receiving less than that, implement an incremental move to midpoint based on time in class, a one time-in-class adjustment to address compression for employees with more than 5 years in their current

class (as of March 1, 2019), a 0.5% increase per year in class above five years, and 0.5% across the board increases. This eliminates some compression issues moving forward and a merit package will be proposed for next year when we will have a mechanism in place to grade merit. Mr. Trapp suggested that Council have these same kinds of performance evaluations for their three employees which should include direct measurables and merit pay.

Mr. Glascock stated that he can set administrative pay guidelines and he is recommending CDL Operators starting pay be \$16.50 and refuse collector starting pay be \$17.00 per hour (\$18.70/hour for promotional increases for senior refuse collectors), in an effort to hire and retain these positions. This is a guideline and does not require Council approval, but he wanted them to be aware. Mr. Glascock recommended a starting pay rate of \$33.145 per hour for police sergeants to ensure they make at least \$0.01 per hour above the maximum rate for officers. He also recommend a net increase of 3.00 FTE's. Some positions are cut to fund the pay package, while others are cut to fund new positions. 14.50 are being added and 11.50 are being deleted. He broke down the employees by labor group and how each will be impacted by the pay package. He also reviewed the number of, and percent of, total employees receiving salary increases for FY20. Mr. Pitzer stated that it seems that the represented groups have more catching up to do. Ms. Peveler stated that police and fire have always been such a big cost, so there hasn't been big moves on those groups.

Mr. Glascock stated that he is not recommending any budget changes to stabilize the Transit Division. Federal transit operation dollars have increased and the Parking Utility will pay the Street Division to maintain on-meter spaces allowing us to shift transportation sales tax revenue from Streets to Transit. He reviewed the changes made to the GoCoMo route and operation hours. He noted that rider needs are not being met, and moving forward we need to decide what services need to be met.

He reviewed the FTA Para-Transit requirements and some of the service changes that began in June 2019. Para-Transit requests have increased since we have decreased regular system service, he noted that Para-Transit is a much more costly service to provide. Mr. Glascock stated that the options are to reduce the Para-transit service area down to the federal requirement of 3/4 of a mile from the fixed route lines; increase Para-transit service capacity (adding one Para-transit van to daily service can provide an additional 30-36 daily rides, 155 miles (would require a Budget Amendment); Increase Para-transit fare from \$2 to \$3, an additional \$53,750 in revenue, to help offset costs of additional van (requires Budget Amendment). Mr. Glascock does not recommend increasing the fare.

Councilperson Thomas confirmed that we need a long term solution for

Para-Transit but pulling in to just $\frac{3}{4}$ of a mile from the fixed route line is not a good option to consider. He added that we should think of a more visionary sense for the Transit system as opposed to just meeting basic demands. He confirmed that the high cost for service is due to overtime for drivers. Ms. Peveler stated that is correct. Mr. Glascock stated that it will cost about \$2 Million to add a bus and 2 daily drivers for each route, but until we increase headway and service hours, it's still inadequate service.

Councilperson Peters asked how many electric busses we have. Parking and Transit Manager, Leah Christian, stated that we have some electric busses, which have had issues and some CNG busses. We are moving away from diesel and will be focusing on CNG busses as we move forward. We are purchasing new busses with grant funds. The incoming new electric and CNG busses are replacing 6 diesel busses and once the fleet has converted to the electric busses, we will recognize savings. The CNG busses are the most reliable busses and are very affordable to run. Public Works Director, Dave Nichols, added that the CNG station was very costly to start up, but we are meeting the goals set on the station, but it will take a while to see savings on that investment.

Mayor Treece asked if staff has looked into technology that might assist in these issues. Ms. Christian added that other cities have implemented some innovative ideas to supplement Para-Transit service such as partnering with Uber, but those other cities also saw a very costly increase in demand when that was implemented. Ms. Christian intends to continue researching alternative options. Mayor Treece asked if GPS is utilized to determine high need routes and stops. Ms. Christian stated that the new routes were created based off that data. Mr. Thomas likes the new routes and felt that if we can stick with these, people might choose to live near those routes and we should zone to that as well. He stated that if we have more to invest, we should increase hours and frequency for the existing routes. If a bus comes frequently enough, people become less concerned about their ability to plan and catch a bus. He inquired about offering Para-Transit service to non-qualified riders at a higher rate like \$4-5/ride. He also felt that the real success of our transit service will rely on a good relationship with the University. He met with Chancellor Cartwright recently and the University received a report and recommendation in recent years which suggested a partnership. That report has not received focus for the past few years, but the Chancellor commented that report was resurfacing and the potential for a partnership should be reconsidered. A partnership would offer a much better service for students as they would have access to the entire city instead of just a shuttle to and from an apartment to campus. Ms. Peters inquired about the current MU contract. Ms. Christian stated that they run a Tiger Shuttle service which is 9 busses/day and an evening/weekend campus loop.

Mr. Pitzer asked for an update on the flex service. Ms. Christian stated there are about 3-4 requests per month but that only allows for transport to city events. There may be an increase in requests should that be offered citywide. Ms. Christian added that we are allotted a certain amount of FTA dollars annually based on population and density. We do not get more than the allotted amount which must be matched dollar per dollar, which we currently do. He agreed with Mr. Thomas' comments about making a successful system someday.

Mayor Treece asked about the status of the bus shelters. Ms. Christian stated that we need 6 more to meet our citywide strategic plan goal. We are in the process of constructing a few shelters which should be done around September, but 6 more would still be needed to meet our goal. Mr. Thomas felt that some could be added on the Business Loop. Mr. Thomas confirmed that if we only had 75% match, we would still get 75% from the FTA. Ms. Christian stated that was correct. Mr. Thomas recalled that there were flex zones not flex routes and a dispatcher plans a route based on the requests coming in for rides in that flex zone. The flex zones would pick up from anywhere in the zone and take them to a bus stop and could offer a more flexible service that way. He added that we are undermining the vision for transit by offering the student shuttle when every rider still owns a car and we should work on ways to decrease car ownership by students and the University can help market the service to be car-free and having citywide access. Mr. Glascock suggested a Transit Authority with the University where there is a separate board and the service is run by the Authority, instead of a contract. Mr. Thomas suggested that be considered. Mayor Treece asked what the best approach to reimagining this system is and he felt the Transit Authority might be a good idea to consider. Mr. Trapp added that if a Transit Authority is considered, a Regional Authority should be considered. Ms. Peters asked what a Transit Authority does. Mr. Glascock stated that there would be by-laws similar to a Charter, but with designated funding from partnerships and stakeholders who would all have a say in the service provided. The more entities involved that receive benefit and provide funding, the better the service ends up being.

Mr. Glascock continued by explaining there is a proposal to increase transit funding by charging for parking at the airport. Mr. Thomas feels sales tax revenue to fund the airport is not consistent with our social equity goal and the airport should be funded by users of the airport. He feels that a charge for parking to fund the airport expansion would be a good model. There would not be a great need for enforcement as it would only require a weekly walk around to ensure a tag is on display in the parked car. This could be implemented quickly on the paved area and ticket dispensers, signage and education should be provided. A rate of \$2-3/day seems reasonable, from which revenue could go to Transit Reserves. This would be a step toward funding increased transit routes down the road. Councilperson Skala felt that it could also go toward

increased bus shelter costs or other capital costs relating to system improvements. Mayor Treece is opposed to charging taxpayers for something they currently get for free and the airport is considered part of our mass transit system. Free parking is part of what has driven success there and we should not remove that benefit. Mr. Pitzer felt that a Master Plan for the Transit System should be created so we have a vision for where the system is going.

Council Requests for Departmental Budget Reviews

- CARE Program
- Transit

Ms. Peveler stated that departments were asked to make cuts. The total pay package cost is \$4.8 million. Cuts covered pay package costs for most departments and included the deletion of 9.50 FTE. Some departments had cuts larger than their pay package costs. In the General Fund excess General Fund Balance of \$2,308,347 will be used to cover Police and Fire Pay Package costs. She reviewed the cuts proposed for each department which are included in the power point slides. She noted that there were several Council requests for alternative cuts to the CARE Program. Parks and Recreation Director, Mike Griggs, stated that the department has made many other cuts to other programs and services while CARE has never been cut in recent years. Mr. Griggs felt that this cut would only be to the CARE Art Program Gallery and reduce CARE trainees by 56 and 5.5 coaches. All cuts proposed to positions are seasonal temporary positions. The CARE Program has been spared cuts while other areas offering core services of parks and trail maintenance, mowing, horticulture, forestry, ranger, etc. have been cut extensively over the past five years. Ms. Peveler added that some cuts may need to be changed if sales tax revenues come in differently than expected. Ms. Peters asked if there is follow-up with the CARE program trainees to determine successful outcomes. Mr. Griggs stated that there has not been a good way to track the students beyond their coaching but there is over 90% success rate for trainees completing the program. He offered alternative cuts including the elimination of funding the Diversity Breakfast, Adopt-A-Spot Utilities, reduction of service at the sprayground, elimination of emergency phones at parks and trails, elimination of accreditation costs, downtown tree planting agreements with The District, elimination of the Bike Co-Op Education Programs, and some personnel changes. Mr. Thomas did not like the idea of cutting the CARE Program when it aligns so well with our Strategic Plan and the program is so successful.

Ms. Peveler continued to note the cuts taken by each department as outlined on the power point slides. Mr. Pitzer asked for more information on the impacts of closing the print shop. Mr. Glascock stated that they do small print jobs in house, which would be done outside instead. The mail room will continue operations. They also do folding work, which will continue. It's the print and binding work that will be deleted.

Mr. Trapp inquired about the Deep Well Abandonment Program. Assistant Director of Utilities, Ryan Williams, explained that several were converted to aquifer storage, but there are quite a few that have infrastructure that is not utilized. This would postpone the funding to fill those unused holes. Mr. Trapp felt that this should not be cut and he would like to see an amendment to remove this option. Filling the holes helps with potential contamination issues. Mr. Trapp does not support kicking the can down the road when it comes to water quality and safety issues. Mr. Williams added that this would not delete the program, but would reduce funding by \$20,000. Mr. Trapp inquired about the sewer cuts and if all three positions are vacant and not necessary. Assistant Director of Utilities/Sewer, Dave Sorrell, stated that they are all vacant and either not necessary or have been difficult to fill.

Supplemental Budget Requests

Ms. Peveler continued to explain the cuts by department and the balances that remain unspent in surplus funds. The Council briefly discussed the Maker's Space funding and why the funds are being put toward Moberly Area Community College. Director of Economic Development, Stacey Button, replied that this was done at the direction of the previous City Manager. Mr. Glascock requested the \$12,000 for the Strategic Plan be left in place for upcoming citizen input meetings. Ms. Peters was concerned that some of the funds on this list have an intended use and she was concerned about taking that back if there is a planned use. She inquired about the Land Trust. Housing Programs Manager, Randy Cole, replied that the remaining balance has an intended use for the Land Trust and CHDO's, but should be encumbered by December or January. Ms. Peveler stated that she will encumber that into the Community Development budget. Ms. Peters inquired about the Resident Officer Police Program. Chief Jones stated that he is looking into options for a take home car or options to be residents in certain beats. He feels that there will be a greater interest in a take home car than a residency allowance. This was not discussed as part of the collective bargaining process. Mr. Glascock added that he would also like to keep the funds set aside for the REAL program.

Mr. Pitzer felt that there seems to be a number of surplus funds that have a need to keep intact and Council should identify the funds that don't have a need tied to them. Ms. Peveler went through the list of surplus funds to determine if those funds should be taken back or left as is. There was a general discussion about what to roll back into the General Fund versus what should be left as is. It was agreeable to roll back unspent funds in the following areas to the General Fund: Accessible Taxis, Flex Rides for Transit which will end up as an increase to the Transit budget, Job Point funds which are no longer needed, and some Strategic Plan funds. Funds to be left for a defined purpose include: Vision Zero, Community Policing, Dignity in Work, Economic Development agreement with MACC, Growth Impact Study, Home Ownership (down payment assistance) & Land Trust, Parking and Traffic Enforcement for

pedestrian crossing, Public Works Admin for snowpalooza event, REAL Tool Kit, Resident Officer Program, and Social Equity. There was a brief discussion on the Strategic Plan funds and potential to use some of that for the CARE Program. The \$12,000 for Strategic Plan will remain. The group reviewed the departmental surplus funds and the need for those. Departmental surplus funds will roll back to the General Fund and funds can be requested as needed, with the exception of partial funds for Community Development which has already been discussed, and the City Manager and Cultural Affairs funds which will be spent by year end on the public access channel RFP.

There will be a brief lunch break on site.

The group broke for lunch at approximately 11:52 am and reconvened at approximately 1:02 pm. Mr. Skala returned at approximately 1:07 pm.

Supplemental Budget Requests

Mr. Glascock presented the slides on the suggested budget amendments, noting the estimate of a -1.75% reduction to the General Fund revenues would be changed to -2.5%. He added that it was currently at -2.37% as of August. Mr. Glascock added that once the budget is passed, he plans on asking department directors to not spend more than 98% of their budgets to ensure they do not overspend if sales tax revenue continues to decline more than anticipated.

Mayor Treece asked what 98% of the budget would be, in a dollar amount. Mr. Glascock said it was \$1.7 million was 2% in the General Fund. Mayor Treece felt changing it to -2.5% was strong. Mr. Pitzer agreed, and asked how the City made up the money in the last few months of the fiscal year. Mr. Glascock said the City doesn't spend a lot in the last quarter if revenue is falling short.

Ms. Peters asked when the City received the sales tax receipts. Ms. Peveler said the -2.37% noted on the slide included the payment received at the beginning of August. The City receives the sales tax receipts at the beginning of the month. The payments the City receives until the first of November will be part of the FY2019 budget. Ms. Peters said she'd be in favor of budgeting for -2.5%, but would like to be able to re-evaluate six months into the budget, instead of updating on the back end.

Mr. Thomas said if they project lower sales tax revenues, then would they need to cut more from the budget or pass a deficit budget. Mr. Pitzer said they were already going into reserves for the pay package and that he would not be comfortable going further. Mr. Thomas said they should budget what they expect, then deal with it. Ms. Peveler said staff recommends at least recognizing the -2.37% in the budget. Last year's estimate was not a good estimate, in part because of the supplemental payment. This year, staff refined how they came up with the estimate and looked at the receipts for each month. The estimate is down 2.37% currently. The budget that is being discussed only

reflects a -1.75% change.

Mayor Treece asked about the reallocation of the sales tax from capital funds projects. Ms. Peveler said that a portion of the 1% general sales tax had been allocated to the capital projects fund. This has helped the City fund projects, like building maintenance and public safety. Mr. Pitzer had suggested putting the full amount towards operations. Mr. Pitzer added that if the City needed to go into reserves to cover operating costs, then it is in the City's best interest to ensure they are capturing the true annual revenues to offset this as best as possible.

Ms. Peters asked if there were other revenue sources for these types of capital projects, as they are not ballot issues, such as the roof on the Armory. Ms. Peveler said the renovations the City had done bought some time, but now those renovations were starting to show their age. Last year building assessments were done. Dave Nichols and Kent Hayes spoke on the assessments. Last year about twenty buildings were assessed. Mr. Hayes is collecting data to track the longevity of the assets. This year, another twenty buildings will be assessed. This is to get ahead of the repairs instead of waiting for them to break, such as the police station elevator. This is to be proactive instead of reactive. Ms. Peveler added that in previous years about \$75,000 was budgeted for building repairs, but this was only to fix things when they broke instead of maintenance. Mr. Nichols said he hoped to have a five year budget. This would help the City better maintain assets, but noted that there would still be unexpected repairs that came up. Ms. Peveler said this would be an ongoing cost, but there wasn't a source of revenue. The issue with putting this on the quarter cent capital improvement sales tax was that it only generates a set amount of money of which about 60% went to streets and 40% went to public safety improvements.

Mayor Treece asked about a general consensus. Ms. Peters said she didn't agree. She felt it was important to keep the buildings in good repair, she said less than \$1 million per year out of a \$400 million budget wasn't unreasonable. Mr. Pitzer said he wanted to be able to budget for it, and it should be part of the annual process. Mayor Treece said if it gets pulled out, then it would be a net cut of \$450. Mr. Trapp felt Ms. Peveler made a good case for the 2.5% reduction. He said he would be willing to split the difference so there would be money available to cover some projects. Mayor Treece said the Council could either change the assumption to -2.5% now or leave it as -1.75% and revisit it in January to see if there were any excess sales tax revenue from FY2019 and adjust for the rest of FY2020 as needed. Mr. Ruffin said he trusted staff's assumption. Mr. Trapp stated his comment was on the reallocation of the 4.1% of the 1% - he suggested splitting the difference and reallocate 2% of the 1%, which would cover the budget assumption gap. The budget assumption would be changed from -1.75% to -2.5% and the proposed reallocation would be

changed to 2% to capital projects.

The property tax rate is now .4075. This means there would need to be a reduction in the FY2020 budget by \$116,047. Council agreed.

Mayor Treece asked for more information on the MACC Grant Match Funding. Council was not aware of it. Mr. Glascock said the grant would need to come before Council as an agreement between the City and the MACC. The MACC used \$150,000 as match funding from the City to get their grant. Stacey Button said her understanding was MACC applied for a grant from the State and the prior City Manager committed \$150,000 as a cash match. The grant is for the mechatronics program and the maker's space. She said the mechatronics program is workforce training for advanced manufacturing. Area employers coordinate with MACC for training. She can provide a copy of the grant application before the budget is approved.

Nancy Thompson said the City cannot donate funds without a public purpose. This cannot just be a grant match. A public purpose needs to be identified. Council will be able to approve or reject the agreement when it comes before Council. Mayor Treece said he was concerned about the process on how this has advanced. Mr. Skala asked if the city's interest was stipulated in the grant application. Staff was not aware that this application was submitted and was not involved in the process, but that staff would need to evaluate the impacts and ways they can work together on this. Mayor Treece said he was in favor of the project, but wanted to ensure taxpayers would be able to access the space as well. Ms. Button said she would review the application, but she believed this would be a public space, not just a space for students.

The City Manager's Office would like to create a fund for Community Scholars for the current program and for an expansion. Carol said the program was currently at Hickman and they were in talks with Battle. Incoming freshmen students are identified by middle and high school faculty as being at-risk of not graduating. The program is run through a summer school class where students are paired with City departments based on their interests and spend twelve hours over four days job shadowing. This counts towards the A+ scholarship. Students also receive an hour of high school credit, so they enter high school with credit towards graduation. Currently, the City provides a dinner banquet at Hickman for the students and their parents as well as a graduation dinner. Mr. Trapp said this program won an award from the Missouri Municipal League last year.

Ms. Peveler said she would be retiring so they would overfill her position so there is not a gap, as she will be leaving in the middle of the budget cycle. There are a number of things in the Finance Department that are only done once a year, so they would like to bring someone in at the beginning of the

year. Mr. Glascock said there were 9 applicants for Finance Director, and hoped to have that position filled soon as well.

Mr. Pitzer suggested deleting Council reserves so those funds could be part of the General Fund. Council agreed.

Mr. Glascock said the Park Ranger in P&R as well as airport security needed to move to CPD and will be under the police chief. They would be post-certified officers in the parks and at the airport. Staff will evaluate this to see if re-organizing becomes necessary as airport security requires different training. They would still use the same communication system. They would not be police officers, but different divisions under the police chief.

Ms. Peveler said there would be a transfer from the airport and P&R to CPD. These positions do not fall under the CPD bargaining contract, but they would look into it going forward. This year they would still be funded the same. Currently, the airport safety officers were being paid out of the airport budget, not the General Fund.

Ms. Peveler reviewed the FY2020 Suggested Budget Amendments.

Mayor Treece asks is the art on the floors of City Hall ever get rotated or if it was commissioned for the floor it's on. Sarah Dresser said it was permanent until the Commission says otherwise. Ms. Peveler said the CVB wanted to add a second Sports Sales Supervisor. Amy Schneider said they have a Sports Sales Manager, but there were a lot of projects that would be too much for one person. Sports sales is a bit chunk of everything CVB does, so this would be beneficial in bringing tax sales into the community. The current Sport Sales Manager has been in his role for 2 years and he has already brought in over \$400,000. Mr. Pitzer asked for Council to be kept updated.

Mr. Pitzer asked about the CIP surplus budgeted for an RMS project. Chief Jones said it was still underway.

Ms. Peveler went through the other Suggested Budget Amendments .

Mayor Treece said he wanted to remove the \$3/day parking at the airport because there wasn't a plan to use the funds. Mr. Thomas said he wanted a vote on it at the September 3rd meeting. He did not agree with the Mayor and wanted time to find uses.

Mr. Trapp asked about increasing the Para-Transit capacity by one van. Mr. Glascock said it was necessary because it was becoming difficult to meet the increased demand. The City is required to respond within 24 hours.

Mayor Treece asked if there were federal subsidies on the airport CIP projects. Ms. Peveler said the list was just clean up items of local money that needed to be moved around.

Tad Johnsen discussed the changes to the Water Fund. He said he would like to add supervisors and make some changes to the meter reader by changing it to a Metered Services Technician. They plan on consolidating the Lead Water Distribution Operators and the Water Distribution Operators. He said the CDL operators would be consolidated as well. They are also proposing some incentives for CDL drivers, including a 75 cents/hour addition to get the DS3 license to prepare them for promotion. Due to the number of vacancies they'd like to get a progression path established. Mr. Pitzer asked if the top three positions were currently vacant. Mr. Johnsen said they were, but that this was a good opportunity to work with HR to make some changes.

Mayor Treece asked about the increase in travel and training. Sarah Talbert said on the Electric side was to increase training for Automated Meter Interface (AMI) software. This hasn't been spent in the current fiscal year due to vacancies. With the upcoming water treatment plant upgrades, they want to send two additional staff members to the APWA conference. Mayor Treece said the board members would benefit from additional training. Tad said they would be happy to support the training, but the board needs to submit a budget.

There were some ballot issue projects that were not included, but needed to be added in. They would appear under annuals, but staff has identified individual projects. They were planning on removing the \$100,000 contingency funds. Mayor Treece asked about the Blackberry Lane water main project. Ryan Williams said it was an identified project. It was a public main, but they would highlight how long they've been public.

Mr. Pitzer asked about updates on the projects on the water bond. Mr. Williams said staff recently received appropriation for their RFP. It would be in the winter or spring time due to the size of the project. Mr. Pitzer asked to see the RFP for the Water Treatment Plant Improvements before it went out to bid.

Mr. Johnsen said the first piece was similar to what occurred with meter readers in Water - these services are split with Water. Many years ago there was an administrative guideline for how apprentices went through the program and dictated the pay band these positions were at once the apprentice became a journeyman. This was changed when the City did the comp-in-class study because it emphasized getting employees to midpoint. This has not been a competitive wage over the past few years. They would like to change this guideline. They would like to develop a four step development process to get the employee 60% of the pay range from mid to max after successfully completing the four year program. This is to help retain employees developed

through the apprentice program. Mr. Pitzer said he'd like to see the numbers. Mr. Johnsen said this should put the city into a competitive environment that should help retain journeymen. Ms. Peters asked for a review on what training is needed. Mr. Johnsen said it was a four year program, but it was going through some changes. Mr. Williams said the current program required a high school education or equivalent and four years training. There are some applicants who come with some skills developed at a community college program. They are changing it to extend another four years. They want to start recruiting through local high schools, partially as a growth of the Community Scholars Program. The earlier students get involved with this, the better it is for them. They are planning internships during the summer. They plan on working with local community colleges to help send interested students to get the skills needed and come back to work with the City. Mr. Skala asked if there were junior college programs that were connected with this as well. Mr. Williams said Glenn Tech had a few programs that were related to line work. This information will be brought forward once it's been more ironed out. Mr. Trapp said he liked the program and felt it reinforced the City's strategic plan goals. Ms. Peters asked how CPS was involved. Mr. Williams said they were very excited about getting started on this.

Mayor Treece asks how department knows when they overspend their budgeted amount. Ms. Fraizer said the system should stop it. If there are no funds in the category it will stop the transaction, unless the purchase is done on a p-card - about \$3million/year citywide is done with p-cards. The managers should be aware of how they're spending money. P-card holders are somewhat responsible too. If the City Manager tells staff to only spent 95% of their budget, then it's up to management to make sure that's followed. Mayor Treece asked how much input Finance has in assembling the budget. Ms. Peveler said they communicate all the time. Mayor Treece said he thought there was a good opportunity to have the Director and Budget Director position opening. It could create new synergy.

Mr. Pitzer asked why the capital improvement sales tax contingency amounts changed from the previous fiscal year. Ms. Peveler said during discussions on how to fund the fire station, they discussed the contingency amount within the capital improvement sales tax - when the bonds were paid off, some money was released into it. Council had asked why that couldn't be seen in the document, so staff set up a contingency account. The capital improvement sales tax uses development funds, county road tax, etc. as well as capital improvement sales tax that staff looks at to determine how much can go into the "contingency," so it does change year to year. As Council decided to change the sales tax growth assumptions, this will come back as a budget amendment. The current budgeted amount is FY2020 had a budget of \$739,950, while there was around \$3 million in FY2019 - part of which was used to fund the fire station.

Mr. Pitzer asked about how interest or investment revenue was budgeted for the capital projects fund. Ms. Peveler said sometimes the best guess would be looking at the previous six months and doubling.

Mr. Pitzer said they were holding off on any possible utility changes until the end of the year. He asked how disruptive it would be to move the utilities to a calendar year budget. This would match the revenues with the expenses. Ms. Thompson said there could only be one fiscal year. Mr. Glascock said they've done rate adjustments at the calendar year. Ms. Fraizer said it was set that way so it lines up with the federal budget.

Mr. Skala proposed increasing the amount for the racial equity RFP and perhaps looking into using funds from the Strategic Plan budget. Mr. Glascock asked if Council wanted to supplement the CARE program with the Strategic Plan money as well. Council discussed how CARE aligned with the social equity goals. Mr. Pitzer said there was more demand than service for almost every City service and the Council needed to have a close eye on every dollar they were spending. They had made cuts to a lot of successful programs already and, at some point, it wasn't sustainable to single out programs. Mr. Skala said the strategic plan were the guts to where the City wants to go

Mr. Glascock said that funding for energy efficiency needed to come from somewhere. Mr. Thomas said he would propose restoring all the cuts to the CARE program by using Strategic Plan money, and felt there should be a public discussion and vote on September 3rd. Mayor Treece said that Strategic Plan money was valuable general revenue and, while he is sympathetic to the program, he wasn't sure that would be the priority they should invest it in. Mr. Trapp said it wasn't a one time cut, and it would just put off cuts one year. He wanted to take a closer look at the Parks list of possible cuts.

Ms. Peters asked when the conversation on options for revenue would take place. Mr. Glascock said it would be the first pre-Council meeting in October.

Mayor Treece asked why projections on the Use Tax would only be 1% when the tax rate is higher. Ms. Fraizer said not every tax is permanent, such as half the park sales tax, and capital improvement tax. Ms. Thompson said it would cover all taxes in effect at the time of purchase. Ms. Fraizer said the estimate was based on national data and the local number of online sales could vary.

Mayor Treece asked about the government and admin fees for each department were taken before or after the targeted cash reserve is estimated. Ms. Peveler said they were included in the cash reserve target. This was in case of natural disaster; there would still be funds to continue those services.

Pitzer asked if the cash reserve targets were set by Finance or Council. Mr. Glascock said Council set those.

A consultant recommended the change to the cash reserve targets and it's in the budget for Council to decide on. There hasn't been a policy resolution on it yet. Most special revenue funds don't have cash reserve targets. Areas with operating expenses have a target set. These get reviewed at the beginning of each budget cycle and are considered when determining fees.

Ms. Peters asked if the judge could discuss what's happening with the municipal court. Judge Noce said he had been overly optimistic. The first month rate is about 55%. He thanked his staff and the hours they put in. Without staff who voluntarily gave overtime and management support, it would not have worked. While his overly rosy prediction isn't true now, but it's getting there. It's up to about 65% now. They're still working on filling staff positions. Ms. Dee Williams said with the support of other departments, they are making it work. He would be back in a few months to report.

Capital Improvement Plan (CIP)

Mr. Glascock said they were working on securing property for the east fire station and they were still working on finding property for the south. They anticipate starting construction on 3rd Avenue Alley and the Providence-Broadway turn lane in Spring 2020. The Nifong intersections, Sinclair Road, and Nifong widening will likely start in Spring/Summer 2020. The roundabout at Green Meadow and Forum will be finished by that time. Keene and I-70 Dr. roundabout will start next year. The pedestrian scramble at 9th and Elm will be next year as well. The McKee St. sidewalk is also planned for Fall 2020.

II. ALL OTHER ITEMS THE COUNCIL MAY WISH TO DISCUSS

No other items were discussed.

III. ADJOURNMENT

The meeting adjourned at approximately 2:53 pm.