

**CITY OF NEW BERN
BOARD OF ALDERMEN
WORK SESSION
JUNE 15, 2010
6:00 P.M.
300 POLLOCK STREET**

Board Members Present:

Mayor Lee Bettis, Jr.; Aldermen Sabrina Bengel; Victor Taylor; Denny Bucher; Johnnie Ray Kinsey; Bernard White; and Dana Outlaw.

Also in attendance: Mr. Ed Wyatt, Interim City Manager
Scott Davis, City Attorney was absent. (Vacation)

First Floor Conference Room:

Executive Session to Discuss Personnel Issues. **Time:** 6:00 P.M. to 7:00 P.M.

Second Floor Courtroom:

Budget Workshop. **Time:** 7:00 P.M.

The board has previously requested a revenue neutral budget and directed Mr. Wyatt, Interim City Manager to make the necessary cuts in conjunction with the Department Heads. Mr. Wyatt proposed a \$35,558,114 budget. A revenue neutral budget would be \$35,255,720; therefore, the amount to be cut would be \$1,302,394. In order to have revenue neutral budget, cuts would begin with the number of paid holidays for employees, employees would have to pay \$25 a pay period (24 pay periods) for health insurance premiums, raise property taxes by 0.435 cents per \$100 of valuation as well as cutting department budgets.

Alderman Outlaw and Alderman Bengel express their concerns in reference to the enterprise funds. The enterprise fund is self supporting entity, because goods and services are provided to the public for a fee. The city is so heavily involved in the enterprise fund and less involved in the general fund. In essence the city is boxed in with the enterprise fund. The enterprise fund consists of electric (53%), sewer (11%), and water (7%), a total of 71%. The general fund is only 29% of the city budget. The city needs to revamp the entire budget structure for a larger percentage to go toward the general fund.

Alderman Taylor suggested a larger percentage versus 3.2% be cut from Special Appropriations. The city appropriated \$55,000 last year and according to Swiss Bear's request budget sheet, the organization pays \$110,000 for salaries.

Alderman Bucher inquired to why the payments are routed to Charlotte. Mary replied all the payments are sent to a "lock box" and the bank process the payments. BB&T records the payments and the paper work is sent back to the city electronic. A printout of the days deposits

are sent to the city electronic and this print out serves as a deposit slip for the days transactions. He suggested the city try to find a company locally to collect payments.

After a lengthy discussion the board decided the following cuts in addition to the previous cuts:

- The board agreed to cut Special Appropriations 15% - (Highway 17 Transportation Association, Allies Cherry Point Tomorrow, Craven Arts Council, Swiss Bear, Community Development, Duffyfield Community, and Friends of Fireman's Museum).
- Offer early retirement for employees that are willing to retire with at least 27 years, but the position must be eliminated. The details would have to be worked out through the Human Resource Department.
- Increase taxes .41 cent per \$100
- Cut Christmas Decorations (\$3500) out of the budget completely.
- Governing Board – (IT Supplies \$13,500, and Professional Services for enhanced Public Meetings on line \$27,000).

Alderman White inquired if the Police Department could be cut even lower. Chief Palombo stated there is no more to cut. The operational budget has been cut over 2%, if you cut anymore it would affect services. The next cuts would be employees.

Alderman Bucher made a motion to adjourn, seconded by Alderman Taylor. The motion carried unanimously, time being 10:00 P.M.

Mayor

City Clerk