

## MINUTES

Special Meeting – Budget Workshop  
City Hall Council Chamber

May 11, 2022  
Wednesday, 12:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Andrew L. Hopper Sr., David White, David Causby, Charles Webber, Violet Arth and Emilie Bullock.; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Justin S. Merritt, MPA, Assistant City Manager of Utilities Benjamin (Ben) Yarboro, City Clerk Carol Williams, Director of Finance Elizabeth (Beth) B. Beam, Police Chief Jeffrey (Jeff) Ledford, Director of Water Resources David Hux, Director of Energy Services Julie McMurry, City Attorney Andrea Leslie-Fite

Mayor Anthony called the meeting to order at 12:08 p.m.

### A. Budget Session: Utility (Enterprise) Funds – Sewer, Water and Stormwater

Mr. Howell began his presentation by stating this session would cover the Sewer, Water and Stormwater Fund revenues and expenditures. The presentation and all handouts are hereby incorporated by reference and made a part of these Minutes.

### SEWER FUND

Mr. Howell stated that the revenues in the Sewer Fund have been surprisingly strong. Mr. Howell reminded Council that it's only been in the past few years that the Sewer fund has been positive in the net retained earnings. Clearwater Paper is a big factor in this positive change. The Sewer Fund is largely reliant on sewer charges. The 2023 proposed budget shows a 3 percent change in revenue from \$6,398,644 to \$6,621,100.

Mr. Howell explained the biggest change on the expenditure side of the Sewer Fund is due to personnel. Water Resources has 48 employees with 10 vacancies currently. The personnel amount proposed for 2023 is due to an additional pay increase for Water Resources employees. Debt service amount is also high at \$2.225 million, due to the Biosolids Project, but it is money well spent. Mr. Howell reiterated that the Sewer Fund is strong, and net retained earnings are increasing but there are still needs.

Mr. Howell indicated no rate increase is recommended for this coming fiscal year.

Mr. Howell further indicated that there is a proposed 5% market rate adjustment for employees, with an additional increase for Water Resources this year.

## **WATER FUND**

**Mr. Howell began by stating that the Water Fund is not yet balanced and that a decision is still needed as to whether there will be a rate change in the Water Fund. Mr. Howell stated the Water Fund revenue is relatively flat with a decrease in the budget of about 3 percent from \$6,039,171 in 2022 to \$5,860,100 proposed for 2023. The Water Fund is largely reliant on water charges.**

**Mr. Howell explained the expenditure side of the Water Fund shows an increase for personnel, an increase for capital, and operations. The capital amount is increased this year due to the City making significant cuts the previous two years, however, the amount proposed for 2023 is a more normal amount.**

**Mr. Howell noted that the operation costs at the Water Treatment Plant is increased mainly due to the price of chemicals. Mr. Hux added that tank maintenance is also a factor in the operation costs.**

**Mr. Howell further indicated that there is a proposed 5% market rate adjustment for employees, with an additional increase for Water Resources this year.**

## **STORMWATER FUND**

**Mr. Howell stated the Stormwater Fund revenue is increased by about 5 percent from \$840,520 in 2022 to \$878,405 proposed for 2023. Revenues are reliant on Stormwater charges, at the rate of \$2.50/month per residential unit.**

**Mr. Howell stated on the expenditure side there is an increase for personnel like the other funds have reflected. However, operating costs and debt service are both down this year. Allocations in the amount of \$134,830 from the Stormwater Fund to the General Fund started this year.**

**Mr. Howell indicated there aren't any plans to make a change in the rate structure to the Stormwater Fund. However, he did state that City Council needs to consider building in an annual inflationary factor based on the Bureau of Labor Statistics consumer price index (CPI) in the budget beginning with fiscal year 2023.**

**Mr. Howell further indicated that there is a proposed 5% market rate adjustment for Stormwater employees. The Stormwater department will be included in year 2 of the new market pay plan, which could be implemented in January 2023.**

**Adjournment:**

- 1) Motion to adjourn**

**ACTION TAKEN:** Upon a motion made by Ms. Arth, City Council voted unanimously to adjourn the meeting at 1:34 p.m.

**Respectfully submitted,**

**Carol Williams  
City Clerk**

**O. Stanhope Anthony III  
Mayor**

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