

Minutes
Kinston City Council
City Hall · 207 East King Street
Monday, May 7, 2018 at 5:30 pm

REGULAR MEETING

Mayor Don Hardy called the City Council meeting to order at 5:33 pm.

Councilmember Robert Swinson led the prayer followed by the Pledge of Allegiance.

Those present: Councilmembers Robert Swinson, Sammy Aiken, Joseph Tyson, Kristal Suggs, and Mayor Don Hardy

Late Arrival: Mayor Pro Tem Felicia Solomon arrived at 5:38 pm.

Also present: Tony Sears, City Manager and James Cauley, City Attorney

Adoption of the Agenda

Councilmember Tyson made the motion, seconded by Councilmember Suggs and upon a unanimous vote (4-0) [Mayor Pro Tem Solomon arrived after the adoption of the agenda], the agenda was adopted.

CITIZEN COMMENT

Carolyn Dawson quoted biblical scripture and expressed her concerns related to employment opportunities, drugs, pay scales, and individuals who cannot be hired because they are classified as over qualified. She also addressed inequalities and fairness in the work place.

PRESENTATIONS AND RECOGNITIONS

Retirement of Marty Jones.....Rhonda Barwick

Rhonda Barwick, Public Services Director, stated Mr. Jones had an emergency and we will try to have him attend a future meeting.

MINUTES

Consider approval of the minutes of the City Council retreat held Friday, April 6, 2018 and the City Council meeting held Monday, April 16, 2018.....Monique Hicks

Councilmember Tyson made the motion, seconded by Mayor Pro Tem Solomon and upon a unanimous vote (5-0) the minutes were approved.

ACTION AGENDA

1. Consider approval of a proposal for Self-Insured Medical Insurance.....Tony Sears

Tony Sears, City Manager, stated one concern for every organization in the United States is the rising cost of health insurance. We have 380 full-time employees plus retirees, so we offer around 475 individuals medical insurance. In the past two years, the Police Department's budget alone has increased \$200,000 just from the increased cost of health insurance and the same for Fire and Public Services. We now offer Teledoc and Compass to employees to help with the increasing costs. There are three primary insurance carriers in Eastern North Carolina, Blue Cross Blue Shield (BCBSNC), Cigna and United Health. You will find that some insurances do not include coverage for Vidant Medical which is a major healthcare provider in this area. One option being considered is self-insured. It is complicated, but fundamentally the City of Kinston would be the insurance carrier, and we will have a stop loss of \$135,000, so the City will pay any bill up to \$135,000. We have done a good job, but our insurance rates still go up. We will not be able to decrease premiums, but we can better control the costs and not have the increases we have had in the past. Up until last year, we have not had a broker, and now we will have a better guess of our claims. We can return to the open market or provide the insurance ourselves and have the ability to control the costs. This is as important as any other budget item.

Mitch Bearden, J. Arthur Dale, introduced **Chad Laymon, Laymon Group**, and stated for the last year we have worked diligently to serve City employees to negotiate on behalf of the insurance plan. Our role is to work on behalf of the City. The projections are based on a review of the City's medical claims as it relates to the self-funded proposal, provided by BCBSNC for the fiscal year 2018. The projected self-funded plan would have been estimated around \$1.9 to \$2 million. You were charged around \$2.6 million in premiums. When you go into self-funded, you go to the open market and when you go into the open market it gives you more options including reinsurance companies. We use twelve companies on a regular basis which expands your footprint. You can stay with BCBSNC as the administrator, as the PPO provider with a third company backing the risks. A third party administrator is an independent claim payer and can reduce administrative costs.

Mr. Sears stated BCBSNC provides access to their network because we cannot do that on our own, so we are renting their network access. There are two primary reasons we want to stay with BCBSNC, employees' current doctors will not change to have minimum impact on our employees and it will also allow us to compare apples to apples next year.

Mr. Bearden stated employees will not see a difference in the plan other than the identification card and the account number. Fully insured plans are covered in the premium but in a self-funded plan it is required to show the details of the administrative costs. The total administrative cost is \$105.73 per employee per month charge, and it is a fixed expense. Self-funded has two components, a fixed expense and a variable expense. Variable expense is where claim

management comes into play. Fixed cost for the year is \$451,679 based on the current head count. The projected medical claims are \$1.6 million. The insurance company puts in a margin for the projected and the maximum which is \$2.1 million. Insurance companies get rebates on the pharmacy, and we can expect at least \$33,236 back from BCBSNC. We expect claims and fixed expense to be \$2.1 million with \$2.5 million as the maximum. We have the employee rates with the HSA and the Blues Option rates. The rates are current numbers plus 3%. We will fund the current rates, plus 3% so we are looking at 3% more than budgeted last year which generates \$2.7 million. There should be a surplus of \$600,000. Reserves should be set up for self-funded because there is a liability. The worst case scenario with the maximum is the reserve would be \$177,000 which is too low. These are all projections, and we feel good about the numbers. With self-funded in the second year two things happen, you have to account for the reserves and you have a full year of claims and it will include another 3% increase for next year. We have 90 days to transition that BCBSNC has already funded and the second year it will be back to normal. There is a \$20,000 reserve projection in the second year. Any claim over \$135,000 will go to the re-insurer and not charged against the City.

Councilmember Tyson asked the cost for a family plan and how much does the City pay. Mr. Sears stated he does not have the ability to reduce the cost of the family plan, even with other carriers. The cost has factors including the organization's claim history. The number of claims, the sizes of the claims, the number of people insured, services provided are all contributors. Chad Layman stated the actual cost for a family plan is \$1,420 a month.

Councilmember Tyson confirmed that no City employee is enrolled in the family plan. Gloria Blake, Human Resources Director, stated in the current year there may be one or two. Mr. Sears stated we have more employees with employee child coverage, yet many are court ordered. The cost is the reason we implemented Teledoc and the concierge programs. If administered effectively, it will help control the costs, otherwise we have no control and we pay what the three big companies say we pay. This is a long game and not a quick fix. There are inherit risk with what we are doing. We need to have some good years upfront and it has to be set up as an enterprise fund. Once money is in the account, it will affect premiums. We are not trying to control the cost next year. This is a plan for four to ten years out.

Mayor Hardy asked if there will be a 3% increase each year. Mr. Bearden stated yes for the next two years in order to build a reserve.

Mayor Hardy asked what happens after that. Mr. Sears stated we cannot project BCBSNC's future costs. We have seen ten percent rate increases in the past, and this caps us at 3%.

Mr. Bearden stated we can continue to put pressure on the market. Other carrier rates aren't any better. We are hoping the 3% helps with the funding to set up a reserve. We have implemented

Teledoc and the concierge services to help employees who can't afford the dependent and family plans. The concierge program will help determine the best provider at the lowest cost.

Mr. Sears gave an example where the doctor advised him to get an MRI and the cost was around \$1,200. He called the concierge service and they gave him a quote around \$500. The concierge service allows us to help control some of our costs and also helps with prescription costs.

Councilmember Tyson asked how much does the City pay and the employee pay for insurance coverage. Mrs. Blake stated the cost is \$672.86 per month per employee and the employee pays \$65 per month of that cost. We also have a Wellness program that allows the employee to recoup \$40 of the \$65 per month in December through direct deposit.

Councilmember Tyson confirmed all employees have been given the information on Teledoc and on the concierge service. Mr. Sears stated yes, we have had mandatory meetings and wellness sessions. No one loses a doctor and everything everyone has today they will have it next year.

Councilmember Tyson stated he has no problems with going self-insured as long as it is for the benefit of the workers, not just a benefit for administrative staff or for budget purposes.

Mr. Bearden stated Teledoc will not replace doctors, but it is for the employees who cannot afford the family and dependent coverage. We pay a flat fee of \$36 a year per employee and they have unlimited access. Mr. Sears stated that Teledoc covers the employees' household regardless if they are on the City's insurance.

Councilmember Swinson asked Mr. Sears to elaborate on the changing insurances. Mr. Sears stated if the City went to United Healthcare, employees would have to pay the cost for out of the network doctors who may be within the BCBSNC network but not in the United Healthcare network. We are trying to limit the impact to the employees.

Councilmember Suggs asked if with the concierge service if the copayments for doctors and prescriptions remain the same. Mr. Sears stated it would be the same.

Councilmember Suggs asked with the savings, could another wellness incentive be added for participation. Mr. Sears stated the savings is the long play. First, we have to put money in the bank for reserves. There are other things that can be done once the program is up, running and established. There can be cash incentives to employees to help control the healthcare costs.

Mr. Bearden stated co pays could be eliminated with certain medication situations if the employee and doctor agree on a different drug. We are working to improve benefits to the employee and not raise costs. We just have to do it in a different way.

Councilmember Suggs asked what has been the feedback from employees. Mrs. Blake stated they have heard two questions, will we get a raise and will we have an increase in our health insurance cost. As far as the Teledoc and the Compass [conciierge] programs, we have had lots of positive feedback from employees because they can use it for their family members. There are smaller municipalities that are paying \$800 per month per employee. The places that are paying less have 1,800 to 2,800 employees and they are self-insured and have been for years.

Mr. Layman stated he met with a new hire this morning, explained the new programs and she was ecstatic about the Teledoc program because she would not have to leave work to take her son to a doctor if he is sick. Her mother who cares for her son could just call Teledoc.

Mr. Bearden stated they propose that City Council consider the recommendation to move to self-funded as of July 1, 2018.

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous roll call vote (5-0) the proposal was approved.

2. Consider approval of a Special Events Permit for the Lincoln City Reunion on Sunday, May 27, 2018 at Holloway Park.....Alonzo Jaynes

Alonzo Jaynes, Police Chief, stated the event will take place from 2:00 to 6:30 pm. We will have four officers for security and crowd control.

Councilmember Tyson made the motion, seconded by Councilmember Suggs and upon a unanimous vote (5-0) the permit was approved.

3. Consider adoption of a Resolution delegating the authority to exempt, in writing, particular professional services for projects under \$50,000 to the City Manager or the City Manager’s designee.....Donna Goodson

Donna Goodson, Finance Director, stated a similar resolution was adopted in October 2000 for \$30,000. This increases the amount to \$50,000 and we will be in alignment with NC Legislator’s changes to Article 3D, Procurement of Architectural Engineering and Surveying Services.

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous vote (5-0) the following Resolution was adopted.

RESOLUTION DELEGATING AUTHORITY TO EXEMPT IN WRITING, PARTICULAR PROJECTS UNDER \$50,000, FROM THE STATUTORY PROCUREMENT PROCESS ESTABLISHED BY §143-64.31, TO THE CITY MANAGER, OR MANAGER’S DESIGNEE

WHEREAS, The City Council of the City of Kinston adopted RESOLUTION TO EXEMPT THE CITY OF KINSTON FROM THE REQUIREMENTS OF NCGS §143 ARTICLE 3D on the 23rd day of October, 2000; and

WHEREAS, The North Carolina State Legislature has made significant changes to Article 3D, Procurement of Architectural, Engineering, and Surveying Services, §143-64.31 Declaration of Public Policy; and

WHEREAS, §143-64.31, requires local governmental units to announce all requirements for architectural, engineering, surveying, construction management at risk services, design-build services and, public-private partnership construction services, to select firms qualified to provide such services on the basis of demonstrated competence and qualification without regard to fee other than unit price; and

WHEREAS, §143-64.32, provides for units of local government to exempt in writing, particular projects from the provisions of §143-64.31, where an estimated professional fee is an amount less than fifty thousand dollars (\$50,000).

NOW, THEREFORE, BE IT RESOLVED THAT: This resolution shall supersede RESOLUTION TO EXEMPT THE CITY OF KINSTON FROM THE REQUIREMENTS OF NCGS §143 ARTICLE 3D adopted the 23rd day of October, 2000; and

BE IT FURTHER RESOLVED THAT: The City Manager or Manager’s designee is delegated authority to exempt in writing, particular projects under fifty thousand dollars (\$50,000), in accordance with Section §143-34.32 and granted authority to negotiate and sign contracts for these professional services when funds to pay for the contracted services are properly appropriated. Originals of all written exemptions and signed contracts will be maintained in the Requesting Department’s project file and copies provided to the Purchasing Division.

4. Consider adoption of an Ordinance for the NCHFA 2017 Essential Single-Family Rehabilitation Loan Pool – Disaster Recovery (C2118).....Donna Goodson

Donna Goodson, Finance Director, stated on February 20, 2017, the North Carolina Housing Finance Agency awarded the City of Kinston a grant to provide interest free, deferred forgiven loans to program eligible homeowners to pay for certain rehabilitation cost to an owner’s house as a result of damage from Hurricane Matthew and Tropical Storms Julia or Hermane. The grant requires the City to establish a special revenue fund to account for the expenditures.

Councilmember Tyson asked if residents have been educated on this plan and what it can and cannot do. Adam Short, Planning Director, stated when we were notified that we were receiving the money, we advertised in the paper. We had an initial round of applications, and the applications are open and ongoing. We can also accept more applications.

Councilmember Tyson asked how many applications have been received. Mr. Short stated we received around 25 applications.

Councilmember Tyson stated he has been beat up so many times when sharing that things have been advertised in the newspaper. We need to find another means to communicate to the larger population. We as a Body have to make sure that we flood the community with this information, specifically those who have been affected.

Mr. Short stated the notice was sent out with the utility bills and is the most effective way. There are two single family rehab loan pool programs. One is for non-disaster recovery and this one is exclusively for Hurricane Matthew recovery.

Mayor Pro Tem Solomon stated the use of social media would reach a lot of people. Mr. Short stated we also use Planning’s Twitter account to push out information.

Councilmember Tyson asked that a bullet list be create to be shared by City Council.

Councilmember Aiken asked the major criteria to qualify. Mr. Short stated the damage has to be contributed by Hurricane Matthew and it has to be documented with invoices for repairs. It can be retroactive. The grant primarily focuses on those who are economically distress, who have some type of disability, seniors and seniors with multiple residents in the home are prioritized. It prioritizes home in the 100 year floodway and individuals who had hurricane damage outside of the floodway. The \$150,000 is a starting point. Once we spend \$150,000 we can apply for more. The maximum is \$40,000 per unit.

Councilmember Suggs asked if there were 25 applications or 25 qualified applications. Mr. Short stated just 25 applications. It has been very difficult to find people who actually qualify. We included our requirements but the State also has requirements.

Councilmember Suggs stated she has assisted people with the application, yet the State’s documentation requirements are restricting if you are facing hardship. Mr. Short stated he is hoping to find ways to make more people eligible.

Councilmember Swinson made the motion, seconded by Councilmember Suggs and upon a unanimous vote (5-0) the following Ordinance was approved.

**AN ORDINANCE ESTABLISHING THE SPECIAL REVENUE FUND
NCHFA 2017 ESSENTIAL SINGLE-FAMILY REHABILITATION LOAN POOL – DISASTER RECOVERY (C2118)**

WHEREAS, on February 20, 2017 the North Carolina Housing Finance Agency awarded the City of Kinston a grant to provide interest free, deferred-forgiven loans to Program-eligible homeowners to pay for certain rehabilitation costs to an owner’s house as a result of damage from Hurricane Matthew, Tropical Storms Julia or Hermine, and

WHEREAS, the grant award requires the City establish a special revenue fund to account for the expenditures of the project.

THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the following special revenue project budget ordinance is hereby adopted:

<u>NCHFA 2017 Essential Single-Family Rehabilitation Loan Pool - Disaster Recovery</u>	<u>Current Budget</u>
Revenues:	
State Grants	\$ 150,000.00
Total Revenues	<u>\$ 150,000.00</u>
Expenditures:	
NCHFA Disaster Recovery Rehab Costs	\$ 150,000.00
Total Expenditures	<u>\$ 150,000.00</u>

**5. Consider adoption of an Ordinance to amend the FY 2018 operating budget
.....Donna Goodson**

Donna Goodson, Finance Director, stated we have several amendments for the City Council, Recreation Administration, Recreation Parks, Grainger Stadium, Capital Reserves, Wastewater Fund, Facilities and Property Management, internal Self Insurance Fund, and money to establish a Self-Insurance Reserve.

Councilmember Swinson made the motion, second by Councilmember Suggs and upon a unanimous roll call vote (5-0) the following Ordinance was adopted.

**AN ORDINANCE AMENDING THE ANNUAL
OPERATING BUDGET**

WHEREAS, the City Council adopted the annual operating budget on June 19, 2017 authorizing appropriations for the General Fund, General Fund-Capital Reserve Fund, WOW Recreation Center Fund, Water Fund, Wastewater Fund, Electric Fund, Environmental Services Fund, Stormwater Fund, Public Services Fund, Employee Health & Insurance Fund, Fleet Maintenance Fund, Facilities & Property Management Fund, and the City Council also having the authority to establish the Health Self-Insurance Fund, and

WHEREAS, amendments by the City Council may become necessary during the year as conditions change, and

WHEREAS, it is necessary to appropriate funds in the City Council division in the General Fund to fund travel, mileage and registrations arising for new board members. This will be funded with revenue from an appropriation of fund balance in the General Fund, and

WHEREAS, it is necessary to appropriate funds in the Recreation Programs division of the General Fund to fund additional salaries and benefits for the Interim Recreation Director that were not originally budgeted. This will be funded with a reduction in lapsed salaries and associated benefits of the retired Recreation Director in the Recreation Administration division of the General Fund, and

WHEREAS, it is necessary to appropriate funds in the Recreation Parks division of the General Fund to partially finance the completion of the renovations and improvements to Grainger Stadium. This will be funded with a reduction in Capital Outlay-Other from the Skate Board Park Combined City/County Project approved in the original FY17-18 Adopted Budget but no longer being funded by the County, and

WHEREAS, it is necessary to appropriate funds in the Transfers to Other Funds division of the General Fund to partially finance the completion of the renovations and improvements to Grainger Stadium. This will be funded with a reduction in lapsed salaries and associated benefits of the retired Recreation Director in the Recreation Administration division of the General Fund and an appropriation of revenue in Transfers from General Fund Capital Reserve, and

WHEREAS, it is necessary to appropriate funds in the General Fund Capital Reserve Fund Transfers division to provide a portion of the cash funding of the Grainger Stadium Phase I and II renovations which are nearing completion. This will be funded with revenue from an appropriation of fund balance in the General Fund Capital Reserve, and

WHEREAS, it is necessary to appropriate funds in the Wastewater Treatment division of the Wastewater Fund to replace a clogged 475-foot section of 24 inch concrete sewer pipe at the Neuse Outfall near the Woodmen Center for work that was considered an emergency to avoid potential violations for sewer overflows. This will be funded with revenue from an appropriation of fund balance in the Wastewater Fund, and

WHEREAS, it is necessary to appropriate funds in the Facilities and Property Management Fund City Hall division for repairs to electrical wiring in the Human Resources department of City Hall. This will be funded with revenue from an appropriation of fund balance in the Facilities and Property Management fund, and

WHEREAS, it is necessary to establish an internal service Fund called Health Self-Insurance Fund for the purpose of creating a separate operating unit to account for the costs of health benefits self-insurance which will allow the City to reduce the cost of providing health benefits to eligible employees of the City. An appropriation of expenditures is necessary to start up the operations of the fund and shall consist of Contract Services through Teladoc, Compass, Run-Out Costs associated with the City's contract with Blue Cross and Blue Shield that will be ending June 30, 2018, as well as monies needed to establish a Self-Insurance Reserve. This will be funded with an appropriation revenue from Shared Services Reimbursement from participating operating funds, and

WHEREAS, it is necessary to appropriate expenditures in the Transfers division under Shared Services Costs from all operating funds with employees to allow each operating fund to bear a proportionate share of the expenses related the maintenance of the new Health Insurance Self-Insurance Fund. This will be funded revenue from an appropriation of fund balance in the General Fund, Woodmen Community Center Fund, Water Fund, Wastewater Fund, Electric Fund, Environmental Services Fund, Stormwater Fund, Public Services Fund, Employee Health & Insurance Fund, and Fleet Maintenance Fund.

THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the annual operating budget ordinance be amended as follows:

General Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Transfer from General Fund Capital Reserve	\$ -	\$ 118,690.00	\$ 118,690.00
Appropriated Fund Balance	1,869,666.01	1,925,106.01	55,440.00
Total Other General Fund Revenues	23,598,326.00	23,598,326.00	-
Total Revenues	\$ 25,467,992.01	\$ 25,642,122.01	\$ 174,130.00
Expenditures:			
City Council			
Meeting and Travel	\$ 6,851.00	\$ 12,851.00	\$ 6,000.00
Other City Council Expend.	156,900.00	156,900.00	-
Recreation Administration			
Salaries - Regular	177,964.00	110,264.00	(67,700.00)
Salaries - Vacation Payouts/Other	-	11,000.00	11,000.00
Benefits - Social Security Contribution	14,100.00	10,000.00	(4,100.00)
Benefits - Retirement Contribution	14,000.00	9,700.00	(4,300.00)
Benefits - 401K Contribution	2,800.00	1,950.00	(850.00)
Other Recreation Administration Expend.	69,576.00	69,576.00	-
Recreation Programs			
Salaries - Regular	322,976.00	336,376.00	13,400.00
Benefits - Social Security Contribution	51,800.00	52,825.00	1,025.00
Benefits - Retirement Contribution	25,300.00	26,272.00	972.00
Benefits - 401K Contribution	5,000.00	5,201.00	201.00
Other Recreation Programs Expend.	640,905.93	640,905.93	-
Recreation Parks			
Capital Outlay - Other	123,267.74	73,267.74	(50,000.00)
Other Recreation - Parks Expend.	1,452,250.00	1,452,250.00	-
Transfers to Other Funds			
Transfers to Capital Projects	-	219,042.00	219,042.00
Shared Services Cost - Self-Insurance Fund	-	49,440.00	49,440.00
Total Other Transfers Expend.	1,042,221.00	1,042,221.00	-
Total Other General Fund Expend.	21,362,080.34	21,362,080.34	-
Total Expenditures	\$ 25,467,992.01	\$ 25,642,122.01	\$ 174,130.00

General Fund - Capital Reserve Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ -	\$ 118,690.00	\$ 118,690.00
Total Other Gen Fund Capital Res. Fund Revenues	145,611.00	145,611.00	-
Total Revenues	\$ 145,611.00	\$ 264,301.00	\$ 118,690.00
Expenditures:			
Transfers to Other Funds			
Transfers to Fund Balance	\$ 145,611.00	\$ 264,301.00	\$ 118,690.00
Total Expenditures	\$ 145,611.00	\$ 264,301.00	\$ 118,690.00

WOW Recreation Center Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ -	\$ 870.00	\$ 870.00
Total Other WOW Recreation Revenues	1,743,000.00	1,743,000.00	-
Total Revenues	\$ 1,743,000.00	\$ 1,743,870.00	\$ 870.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 870.00	\$ 870.00
Total Other WOW Recreation Expend.	1,743,000.00	1,743,000.00	-
Total Expenditures	\$ 1,743,000.00	\$ 1,743,870.00	\$ 870.00

Water Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 376,221.13	\$ 384,891.13	\$ 8,670.00
Total Other Wastewater Revenues	10,422,150.00	10,422,150.00	-
Total Revenues	\$ 10,798,371.13	\$ 10,807,041.13	\$ 8,670.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 8,670.00	\$ 8,670.00
Total Other Transfers Expend.	1,667,672.00	1,667,672.00	-
Total Other Wastewater Fund Expend.	9,130,699.13	9,130,699.13	-
Total Expenditures	\$ 10,798,371.13	\$ 10,807,041.13	\$ 8,670.00
Wastewater Fund			
Wastewater Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 722,420.00	\$ 1,357,470.00	\$ 635,050.00
Total Other Wastewater Revenues	6,097,100.00	6,097,100.00	-
Total Revenues	\$ 6,819,520.00	\$ 7,454,570.00	\$ 635,050.00
Expenditures:			
Wastewater Treatment			
Capital Outlay - Sewer Lines	\$ 294,300.00	\$ 925,300.00	\$ 631,000.00
Total Other Wastewater Treatment Expend.	2,401,296.00	2,401,296.00	-
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	-	4,050.00	4,050.00
Total Other Transfers Expend.	2,680,749.00	2,680,749.00	-
Total Other Wastewater Fund Expend.	1,443,175.00	1,443,175.00	-
Total Expenditures	\$ 6,819,520.00	\$ 7,454,570.00	\$ 635,050.00
Electric Fund			
Electric Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 475,556.71	\$ 481,916.71	\$ 6,360.00
Total Other Electric Revenues	49,230,483.00	49,230,483.00	-
Total Revenues	\$ 49,706,039.71	\$ 49,712,399.71	\$ 6,360.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 6,360.00	\$ 6,360.00
Total Other Transfers Expend.	9,124,248.00	9,124,248.00	-
Total Other Electric Fund Expend.	40,581,791.71	40,581,791.71	-
Total Expenditures	\$ 49,706,039.71	\$ 49,712,399.71	\$ 6,360.00
Environmental Services Fund			
Environmental Services Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 101,312.16	\$ 107,472.16	\$ 6,160.00
Total Other Environmental Services Revenues	3,617,404.00	3,617,404.00	-
Total Revenues	\$ 3,718,716.16	\$ 3,724,876.16	\$ 6,160.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 6,160.00	\$ 6,160.00
Total Other Transfers Expend.	957,484.00	957,484.00	-
Total Other Environ. Svcs. Fund Expend.	2,761,232.16	2,761,232.16	-
Total Expenditures	\$ 3,718,716.16	\$ 3,724,876.16	\$ 6,160.00

Stormwater Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 130,000.00	\$ 132,240.00	\$ 2,240.00
Total Other Stormwater Revenues	1,036,784.00	1,036,784.00	-
Total Revenues	\$ 1,166,784.00	\$ 1,169,024.00	\$ 2,240.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 2,240.00	\$ 2,240.00
Total Other Transfers Expend.	489,679.00	489,679.00	-
Total Other Stormwater Fund Expend.	677,105.00	677,105.00	-
Total Expenditures	\$ 1,166,784.00	\$ 1,169,024.00	\$ 2,240.00

Public Services Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 254,963.43	\$ 263,583.43	\$ 8,620.00
Total Other Public Services Revenues	2,185,378.00	2,185,378.00	-
Total Revenues	\$ 2,440,341.43	\$ 2,448,961.43	\$ 8,620.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 8,620.00	\$ 8,620.00
Total Other Transfers Expend.	174,600.00	174,600.00	-
Total Other Stormwater Fund Expend.	2,265,741.43	2,265,741.43	-
Total Expenditures	\$ 2,440,341.43	\$ 2,448,961.43	\$ 8,620.00

Employee Health & Insurance Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 6,302.00	\$ 6,592.00	\$ 290.00
Total Other Employee Health & Insurance Fund Rev.	688,192.00	688,192.00	-
Total Revenues	\$ 694,494.00	\$ 694,784.00	\$ 290.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 290.00	\$ 290.00
Total Other Employee Health & Insurance Fund Expend.	694,494.00	694,494.00	-
Total Expenditures	\$ 694,494.00	\$ 694,784.00	\$ 290.00

Fleet Maintenance Fund	Current Budget	Amended Budget	Increase (Decrease)
Revenues:			
Appropriated Fund Balance	\$ 136,000.00	\$ 138,890.00	\$ 2,890.00
Total Other Employee Health & Insurance Fund Rev.	495,242.00	495,242.00	-
Total Revenues	\$ 631,242.00	\$ 634,132.00	\$ 2,890.00
Expenditures:			
Transfers to Other Funds			
Shared Services Cost - Self-Insurance Fund	\$ -	\$ 2,890.00	\$ 2,890.00
Total Other Employee Health & Insurance Fund Expend.	631,242.00	631,242.00	-
Total Expenditures	\$ 631,242.00	\$ 634,132.00	\$ 2,890.00

<u>Facilities & Property Management Fund</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
Revenues:			
Appropriated Fund Balance	\$ 148,140.00	\$ 151,840.00	\$ 3,700.00
Total Other Facilities & Property Mgmt. Rev.	351,800.00	351,800.00	-
Total Revenues	<u>\$ 499,940.00</u>	<u>\$ 503,640.00</u>	<u>\$ 3,700.00</u>
Expenditures:			
City Hall Maintenance			
Capital Outlay - Building Improvements	\$ 108,900.00	\$ 112,600.00	\$ 3,700.00
Total Other City Hall Maintenance Expend.	150,200.00	150,200.00	-
Total Other Fac. & Prop. Mgmt. Fund Expend.	240,840.00	240,840.00	-
Total Expenditures	<u>\$ 499,940.00</u>	<u>\$ 503,640.00</u>	<u>\$ 3,700.00</u>
<u>Health Self-Insurance Fund</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
Revenues:			
Shared Services Reimb - Health Self-Insurance	\$ -	\$ 89,548.25	\$ 89,548.25
Total Revenues	<u>\$ -</u>	<u>\$ 89,548.25</u>	<u>\$ 89,548.25</u>
Expenditures:			
HR - Self Insurance Health Benefits			
Contract Services - Compass Health	\$ -	\$ 4,125.00	\$ 4,125.00
Run-Out Costs (Prior to 06/30/18)	-	45,700.00	45,700.00
Transfers to Other Funds			
Transfers to Fund Balance-Self Ins Reserve	-	39,723.25	39,723.25
Total Expenditures	<u>\$ -</u>	<u>\$ 89,548.25</u>	<u>\$ 89,548.25</u>

6. Consider adoption of an Ordinance to amend the Grainger Stadium Renovations Capital Project (G9138).....Donna Goodson

Donna Goodson, Finance Director, stated in September 2016 City Council create a capital projects fund to account for the construction cost and real improvements related to the agreement with the Rangers Kinston, LLC. We are asking to appropriate expenditures for final project costs and this is to be funded with additional debt issued and a transfer from the general fund.

Mayor Pro Tem Solomon asked if the money was already allotted. Mr. Sears stated it was. In the original contract we had different kickers, and we pulled them all forward to do the renovations. All the kickers down the road are now nonexistent.

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous roll call vote (5-0) the following Ordinance and adopted.

AN ORDINANCE AMENDING THE CAPITAL PROJECT FUND FOR GRAINGER STADIUM IMPROVEMENTS (G9138)

WHEREAS, the City of Kinston desires to attract residents, businesses and visitors, and to encourage the economic growth, development and investment in the community and surrounding areas, and

WHEREAS, the City of Kinston is the owner of Grainger Stadium and entered into a lease of the property with Rangers Kinston LLC beginning in the April, 2017 minor league baseball season, and

WHEREAS, the City Council created a capital project fund on September 19, 2016 to account for the construction costs and real improvements related to the agreement with the Rangers Kinston LLC, and

WHEREAS, it is necessary to appropriate additional expenditures for final project costs. This will be funded with additional debt issued and a transfer from the General Fund.

THEREFORE BE IT ORDAINED by the City Council of the City of Kinston, North Carolina that the following capital project budget ordinance is hereby amended:

<u>Grainger Stadium Improvements (G9138)</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Increase (Decrease)</u>
Revenues:			
Debt Proceeds	\$ 1,930,000.00	\$ 2,200,000.00	\$ 270,000.00
Transfer from General Fund		219,042.00	219,042.00
Total Revenues	<u>\$ 1,930,000.00</u>	<u>\$ 2,419,042.00</u>	<u>\$ 489,042.00</u>
Expenditures:			
Loan Closing Costs	\$ 30,000.00	\$ 30,000.00	\$ -
Construction-Other Additional Improvements	211,910.55	211,910.55	-
Construction-Phase I	683,426.08	693,426.08	10,000.00
Construction-Phase II	1,004,663.37	1,483,705.37	479,042.00
Construction-Phase III (Option 1)	-	-	-
Construction-Phase IV (Option 2)	-	-	-
Loan Principal Payoff Mortgage Wells Fargo	-	-	-
Loan Interest Payoff Mortgage Wells Fargo	-	-	-
Total Expenditures	<u>\$ 1,930,000.00</u>	<u>\$ 2,419,042.00</u>	<u>\$ 489,042.00</u>

7. Consider acceptance of an offer to purchase from Clyde and Mary Noble in the amount of \$600 for 920 Herbert Drive and authorize the City Attorney to advertise for upset bids.....Adam Short

Adam Short, Planning Director, stated the City received a bid for \$600 to purchase the property. This would be the initial bid and authorize the City Attorney to advertise for upset bid and then it would come back to City Council for final approval.

Councilmember Aiken made the motion, second by Councilmember Tyson and upon a unanimous vote (5-0) the bid offer was accepted.

APPOINTMENTS

1. Consider the appointment of Rhonda Barwick to serve on the Neuse Regional Water and Sewer Authority’s Board of Directors to fill the unexpired term of Jimmy Cousins.....Rhonda Barwick

Rhonda Barwick, Public Services Director, stated Mr. Cousins served on the board and has indicated that he would prefer not to be reappointed [served one year of his three year term] and would like to step aside. She has served as an alternate for many years, attended the meetings, so she is abreast of what is going on. She would like to be appointed to the board and asked that the board fill the seat of the alternate at a later date.

Councilmember Tyson asked if the City or NRWASA is going to send Mr. Cousins a letter of appreciation. Mrs. Barwick stated she thinks a letter should come from both.

Councilmember Tyson stated the NRWASA is a key board and he would like to have a list of the requirements to serve on the board and asked how soon does the alternate seat need to be filled? Mrs. Barwick stated there is time to fill the alternate seat. The City of Kinston has four votes on

the Board and the members are there most of the time. The alternate is just to ensure that you always have four votes if someone is out. You do need to take into account the person's background because it is not a focus group type of board, they are making decisions for the operation of the plant.

Councilmember Tyson stated that the number of people voting is key and asked that the City Council receive an update on NRWASA.

Councilmember Aiken stated Mrs. Barwick has been serving as an alternate as long as he has served on the Board and she is doing a fantastic job. The City of Kinston has the most voting members and has to maintain 11,000 water connection hookups to keep 4 voting members. Mrs. Barwick clarified that is included in the by-laws. They are called active meters, not number of customers.

Councilmember Tyson made the motion, seconded by Mayor Pro Tem Solomon and upon a unanimous vote (5-0) the appointment was approved.

CITY MANAGER'S REPORT

The City Manager had no report.

CITY ATTORNEY'S REPORT

James Cauley, City Attorney, stated a closed session is needed for litigation matters. Mayor Pro Tem Solomon stated she would like to add a personnel item to the closed session.

MAYOR AND COUNCILMEMBER REPORTS

Councilmember Aiken asked when is an event required to have insurance. Alonzo Jaynes, Police Chief, stated we use discretion and the risks of liability of events that occur on City property.

Councilmember Swinson thanked employees and everyone who volunteered for the BBQ Festival. It has been suggested that maybe next year it could be extended until Sunday.

CLOSED SESSION

Councilmember Aiken made the motion, seconded by Councilmember Tyson and upon a unanimous vote (5-0) the City Council entered closed session pursuant to North Carolina General Statute 143-318.11(a)(3) and (6) at 7:06 pm.

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous vote (5-0), City Council returned to open session at 7:39 pm.

ADJOURNMENT

Councilmember Swinson made the motion, seconded by Councilmember Tyson and upon a unanimous vote (5-0) the City Council meeting adjourned at 7:39 pm.

Respectfully submitted,

Monique Hicks, City Clerk