

MOUNT AIRY, NORTH CAROLINA

BUDGET WORKSHOP MINUTES

June 7, 2021

MEMBERS PRESENT: Mayor Ron Niland, Commissioners Jon Cawley, Tom Koch, Marie Wood, and Steve Yokeley

Mayor Niland welcomed everyone and called the meeting to order.

PROPOSED FY 2021-2022 BUDGET DISCUSSION:

Commissioner Yokeley made a motion to approve the FY 2021-2022 budget as presented for discussion.

Commissioner Cawley asked how many full-time employees the City currently has. Barbara Jones answered the city currently has a total of 17 vacancies, some of which are part-time. The City has 164 full-time employees at this point, however, they have budgeted for all positions in the proposed budget. Three positions were eliminated but the Assistant Public Works Director position was added. The last time the City was fully staffed has been a number of years.

Commissioner Cawley asked if the plan is to fill these vacancies as soon as possible. Barbara stated yes, but it has been difficult--most of the vacancies are in the Police Department.

Commissioner Cawley stated five years ago, he made the statement that the personnel costs were unsustainable. When he looks back over the budgets for the last five years, the change he sees is in personnel costs. In this budget, they are really close to \$9.9 million in personnel costs. Insurance costs have also increased over the last couple of years.

Commissioner Koch mentioned the average unspent payroll amount is around \$500,000 per year. It is important for the citizens to know that with this, it looks like the city will pretty much break even. The city has never spent 100% of the payroll.

Commissioner Wood mentioned the City is a service organization and they have to pay the employees. She would like to get the pay study done to see where they are with paying employees. She would like to stay with the \$1,000 raise and not do the 2% until they get the results of the study and go from there. There are also part-time people and that needs to be discussed for raises.

Barbara Jones mentioned the \$1,000 or 2% is for full-time only. The part-time pay in Parks and Rec and other areas has been increased.

Commissioner Cawley stated he is ok with the \$1,000 raises only but that was done one time before and the employees didn't get the raise until their evaluation and a number of them didn't have their evaluation for nine or ten months.

Barbara Jones state these raises in the proposed budget will go into effect on July 1st for all full-time employees. What Commissioner Cawley is referencing is the in-house pay study that was done a few years ago to do the pay increases over a three-year window. Employees got a percentage on July 1st but they got their larger impact raises during their evaluation so it was a combination. Employees did get something on July 1st-the across the board rate, then they got the performance piece (if they were eligible) during their evaluation. That was the only time this was done.

Commissioner Yokeley doesn't agree with the \$1,000 raise only. He feels the employees need to be thanked for their service and paid what they are worth. He doesn't think, with the way this budget is,

the employees are getting paid what they are worth. They need to encourage the employees to stay. He would like to keep it at the \$1,000 or 2% whichever is greater.

Barbara Jones mentioned including the 2% raise will cost around \$18,000.

The Board voted on Commissioner Yokeley's original motion to approve the FY 2021-2022 budget as presented and it was not approved by a three to one vote:

Vote Aye: Commissioner Yokeley

Vote Nay: Commissioners Cawley, Koch, and Wood

Commissioner Koch made a motion to approve the FY 2021-2022 budget with the \$1,000 raises for the full-time employees only and for staff to move forward with the pay study as soon as possible and it was approved unanimously.

Automated Sanitation Vehicles:

Commissioner Koch asked if the automated sanitation vehicles are in service yet. Mitch Williams stated they haven't officially got the vehicles in service but the plan is to get them in service in July. Right now, staff is taking them out for practice and to get used to the city streets. They will be getting out educational flyers to the citizens for use of the new automated trucks. The plan is to auction off some of the older sanitation trucks on GovDeals.

REMARKS BY OFFICIALS:

Mayor Niland: Thanked the Board for their guidance and discussion and thanked the City Manager and City staff for putting this budget together.

Commissioner Koch: A lot of work went into this budget-thanked the City Manager and City staff for their work on this budget. City employees do a wonderful job.

CLOSED SESSION:

Commissioner Cawley made a motion to enter into Closed Session pursuant to NCCS 143-318.11(a)(6) to discuss matters relating to personnel and it was approved unanimously.

OPEN SESSION:

On motion by Commissioner Koch and passed unanimously, the board entered back into open session with the following:

Commissioner Koch made a motion for the City Manager to authorize an agent letter of record for health and dental insurance once all facts are received regarding the first quote and it was passed by a three to one vote:

Vote Aye: Commissioners Koch, Wood, and Cawley

Vote Nay: Commissioner Yokeley

ADJOURNMENT:

Commissioner Koch made a motion to adjourn and it was approved unanimously.

Approved and adopted this the 1st day of July, 2021.

Ronald M. Niland, Mayor

ATTEST:

Melissa N. Brame, City Clerk