

BUDGET WORK SESSION

March 11, 2019

In Attendance:

Members Present: Mayor Janet Winkler, Commissioners Larry Chapman, Jonathan Greer, Barry Mitchell, Rick Shew, Ann Smith, and Bill Warren

Others Present: Town Manager, Rebecca Bentley, Finance Officer, Michelle Coffey and Town Clerk, Tammy Swanson

Call to Order:

Mayor Janet Winkler called the budget work session to order, and Commissioner Bill Warren led the group in the opening prayer.

Discussion of the FY 2019-2020 Budget:

To begin the meeting, Rebecca shared information that will affect the budget for the year 2031. Pine Mountain Trace will be giving the Town approximately \$208,500. Rebecca explained that according to Sherry Long with the WPCOG, this is part of the tax credit program the apartments were financed through. Rebecca stated that she plans to discuss this with the auditor to see if it can be listed through the Town's financial records and not forgotten until 2031.

Rebecca presented preliminary information pertaining to the FY 2019-2020 Budget.

❖ Fund Balance

➤ FYE 18: \$1,794,056

- \$21,382 Non-Spendable
- \$251,814 Restricted Stabilization for state statute
- \$299,738 Restricted All other
- \$152,000 Unrestricted Assigned
- \$1,069,122 Unrestricted Unassigned
- 2018-2019 Budget:
 - General Fund \$3,215,700 Amended \$3,408,675
 - ◆ ~~Horizons~~ ^{HUB B} Building \$93,000
 - ◆ HUB Improvements \$47,360
 - Security, lighting, etc.
 - ◆ New Position Recreation \$20,560
 - ◆ New Truck \$27,000
 - Capital Project Fund for HUB Station \$795,000
- Contingency \$55,262 (\$39,241)= \$16,021
- Fund Balance Appropriations \$173,000
 - Fund Balance Appropriated \$110,000 (Amended) \$117,560 = \$227,560
 - Powell Bill Appropriated \$42,000 (Amended) \$13,000 = \$55,500

· Revenues

- Sales Tax: \$886,000 coming in on budget
- Property Tax \$1,092,000 Ad valorem; \$85,000 Motor Vehicle
 - (last revaluation 2013-next 2021)
 - \$.43/\$100 valuation Increase 4 cent two years ago
 - 1 cent tax = \$27,000
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- Sanitation Fee : Contract Expected to increase significantly this year – *Should we plan to pass on any increases???*
 - \$7.50/mo. billed \$90 annually on tax bill
 - Commercial collected twice weekly billed \$45/quarter
 - *Tammy would like to add this to tax bill rather than bill quarterly*
- Fees
 - Review of all sales/service fees for recreation, HUB, zoning, extra garbage collection, police, etc.
- Lease Agreements:
- HUB
 - Cell Tower
 - Other ?

❖ Expenditures

- Salary –
 - +/- \$1.41 million 30 full-time and 15 part-time employees
 - 3 community resource officers
 - HUB Custodian-new position
 - Recreation Program Supv – new position
 - ◆ 1% increase = 14,000
 - ◆ Fringe Benefits 33.6% \$486K
 - Retirement Non-LE ~~7.5%~~ 8.95; LE ~~8.25%~~ 9.7%
 - Effective July 1, 2018 7.75% 8.50%
 - Effective July 1, 2019 8.95% 9.70%
 - Effective July 1, 2020 10.15% 10.90%
 - Effective July 1, 2021 11.35% 12.10%
 - Increase next 3 yr 3.6% 3.6%
 - Cost this year \$5K \$7K
 - Cost next 3 year \$15 \$21
 - FICA 6.2%
 - MEDICARE 1.45%
 - 401k Non LE 3%; LE 5% PD
 - \$567/mo. Employee contribution \$20 ppp ????
 - Longevity = \$20k
 - ◆ 2.4% COLA (last year) - \$27K
 - 1.5% Merit Pay (last year) - \$28K
 - Health Insurance rate change unknown at this time – +1%=\$3,000
 - Special Separation Allowance Exp (2) \$30,000 exceed 1 cent tax
 - Police Officer fully staffed

-Sanitation –Rebecca stated that we have been warned by Republic Service that sanitation will increase with this budget.

-Consensus of the Board was that this increase will need to be passed on in some manner to the users.

-Bill suggested that Windmill Park be advertised for rent. Bill stated that he realizes there are no restroom facilities, but the Town Hall restrooms could be used with Police patrolling the building.

-Rebecca stated that we probably need a budget session to discuss our fees. She stated that she would contact the Dept. Heads to

- Police Officer Ranking Plan implemented
- Succession Plans
 - Town Manager *?
 - Public Works Director
 - Landscaper
 - One police officer eligible for retirement/SSA - \$4,600 / yr
 - Tax Collector/Town Clerk *
 - * Should have 6 months +/- double hired in the position
- Contract with WPCOG –
 - Planner: 1 day \$22,680, 1/5 days \$33,360, 2 days \$43,360
 - Code Enforcement: 22,222
 - Increase ??
- Contract City of Lenoir Stormwater: \$12,000 from \$8,400 + \$3,600
- Capital Outlay items
 - Vehicle updates
 - PD Taser Upgrades - \$18,000 ?
 - Improvement to Town Hall
 - HUB Improvements
 - Arts Center ? *upstairs*
 - Kitchen? \$1 Million
 - ◆ Staffing
 - Dinner Theatre
 - Improvements to Optimist Park
 - PARTF - \$240,000
 - Amphitheatre

❖ HUB B Building ??

➤ Revenue to date: \$2,210 (3) units leased \$1,850/mo x 12 = \$22,200

➤ Expenditure to date: \$42,000

➤ Installing kitchenette - \$9,500

❖ Audit Contract \$15,000

❖ Vacant Housing

❖ Tax Foreclosure

-Addition of Community Resource Officer – Rebecca stated that there is a bill before congress that all schools will be required to have a community resource officer. Right now, Hudson Elementary School is without a resource officer, which may involve our PD in having an officer there and being reimbursed by the School.

-New Staff – Have discussed hiring a custodian for HUB Station Buildings A & B.

-Rebecca mentioned that Teresa stays super busy – we may want to look at adding a full-time planning position.

-Police Dept. – Has full fleet of Dodge Chargers.

-Improvements to Town Hall – We only lack new wallpaper.

-Improvements to HUB – Upstairs-Restrooms (2nd floor) and Kitchen Area.

-Ann stated that she would like for us to get the 2nd floor for A building open – she feels that we may be able to get an elevator, and if the area is upgraded, it is potential rental space.

-Ann also stated that the artists do not want the walls painted on 2nd floor. They would prefer to do the painting themselves.

-Rebecca stated that there is a great unknown in the pipes at the HUB. The pipes are 60 years old.

-Janice Woodie has suggested that the parking at the HUB be redone.

Main Objectives for FY 2019-2020 from Board Members:

Janet: Take care of employees however that needs to be done. If we know entities around us are increasing salaries, we also need to do the same if possible. We do not want to lose employees.

Secondly – do updates to the upstairs at HUB Station Building A – The hope is that between July and December monies will be coming in from Steering Committee projects.

Michelle Coffey offered to get estimates for constructing restrooms for Hickman Windmill Park, and for the 2nd floor at HUB Station. Michelle stated that she knows contractors and would be glad to have them do estimates for these projects.

Rick: He agrees with Janet – reiterated that we do need to get the 2nd floor going at HUB Station.

Jonathan: Agrees that we need to look after employees and update the upstairs restrooms at HUB Station. He asked what Teresa (Town Planner) is spending so much time on.

Rebecca stated that a lot of her time was spent on the potential of a gas station at the Pine Mountain Road intersection. Unfortunately, this project has fell through, and the gas station will not be coming because of the superstreet project.

Larry: He reminded everyone that we have said that we will not put updating HUB Station on the “backs of the taxpayers.” Larry stated that he does not support a tax increase, and he feels we need to “hold the line.”

Ann: She agrees that we need to look after our employees, and we need to update upstairs at HUB Station. She said that she feels we can get revenue from rental of the second floor at HUB Station. She commented that she understands not wanting the taxpayers to have to pay for projects at HUB Station, but she feels that the taxpayers are using the facilities. Ann commented that we already own the buildings, and we need to get all the revenue possible from the buildings.

Rick asked how much revenue rental of all the rooms at HUB Station could mean.

Rebecca commented that at full capacity, we would still be short.

Bill: He stated that he agrees with Larry. The Steering Committee was formed to find revenue outside the Town’s revenue. We realize this will take 5 to 10 years. He commented that if we want a “new hometown,” we are going to have to work at it. Bill added that he believes we should take care of employees however possible.

Barry: He agrees with Larry. He also believes we need to take care of employees. Barry also agreed that the 2nd floor at HUB Station needs to be updated and rented. He commented that he doesn’t like the new highway. In his opinion, those types of highways are built to bypass small towns like us. We are trying to make our Town a destination point, and this will not help.

Rebecca: She stated that the municipal level of tax is a higher level of services that actually touch our taxpayers. She stated that she does not see that the Arts Center and incubators directly touch our taxpayers. She believes we need to keep this in mind as we go forward with future projects for HUB Station.

Update on Anderson Properties:

Rebecca stated that according to Kenneth Teague, more totes have been found along stream beds in Lenoir. It appears these totes are spread throughout the county. Rebecca stated that she, Chief Blevins, and Carroll met

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with Rep. Destin Hall to discuss the situation. Destin assured us he would get together with Senator Warren Daniels and attempt a meeting with the DEQ people to better understand the situation and how to get it resolved. Rebecca stated that she had not yet heard back from Rep. Hall.

Next Meeting Scheduled:

The next Budget Work Session was scheduled for March 25th at 6:00 p.m. at the Town Hall. At this meeting, the Board will be mainly discussing the Town's Fee Schedule.

Adjournment:

Motion: (Larry Chapman/Bill Warren) to adjourn the meeting. Unanimously approved.

Tamra T. Swanson, Town Clerk