

BUDGET WORK SESSION

February 6, 2020

In Attendance:

Members Present: Mayor Janet Winkler, **Commissioners:** Larry Chapman, Jonathan Greer, Jeff Link, Rick Shew and Ann Smith

Members Absent: Commissioner Barry Mitchell

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

Call To Order:

Mayor Janet Winkler called the meeting to order, and Mayor Pro Tem, Larry Chapman, led the group in the opening prayer.

Updates on Road Repairs:

Rebecca stated that since we received heavy rains today, she visited both the Holly Hill and Hickman Avenue repaired areas. She stated that both of these sites seemed to be functioning as they were designed to function. She commented that she saw no water in Robert Harris' yard.

Curtis Baker, an engineer from McGill & Assoc., also visited the sites today, and two residents at the Hickman Avenue site approached him about the silt fence in the project area. The residents could not understand why the Town had not fixed the problem with the fence. Water had ponded around the fence, which was actually a sign that the fence was doing what it was supposed to do. Mr. Baker stated that later in the day, Max Prestwood, a contractor for the project, had witnessed two residents removing a silt fence, allowing silt to flow into the creek. Mr. Baker also reported that Robert Harris had told him he planned to contact the Corps of Engineers to see if the riprap could be replaced with river rock.

Rebecca stated that the Town is probably going to need to let the residents know that we are aware that they compromised the construction site. Larry suggested that the residents be officially warned to leave the construction site alone by either the Town Attorney or the Chief of Police.

Guardrails: Rebecca stated that she also heard from Matt Oetting with McGill, and he indicated that although the NCDOT would like to see the Town put a guardrail at the Hickman repair site, it is not required for the site. Rebecca stated that according to Chief Blevins, there is no record of an accident at this location. Rebecca added, however, that there are steep inclines in this area. She also added that since the property owners around the worksite did not want a guardrail, it might make them happy.

It was the consensus of the Board that since a guardrail is not required by the DOT at the Hickman Avenue repair site, the Town will not install a guardrail.

Discuss FY 2020-2021 Budget:

Rebecca presented the following items for discussion.

ITEMS FOR CONSIDERATION IN 2020-2021 BUDGET

❖ REVIEW OF BUDGET

❖ General Fund Balance

➤ FYE 19: \$1,849,385

- \$7,927 Non-Spendable
- \$266,593 Restricted Stabilization for state statute
- \$226,867 Restricted Streets
- \$273,645 Unrestricted Assigned
- \$1,074,353 Unrestricted Unassigned
- ~~2018-2019~~ Budget:

• General Fund	\$3,569,116	Amended \$4,082,016
◆ Codify Minutes		5,000
◆ Ins. Reimb PD Vehicle		3,900
◆ Replace PD Vehicle		40,000
25,000 Insurance		
15,000 Contingency		
◆ Engineering Dogwood, Holly Hill, Hickman		56,000
◆ Construction: Holly Hill		146,500
◆ Hickman		281,400
◆ Gymnasium Roof		10,000
◆ Contingency		<u>(30,000)</u>
◆ Total Amendments		512,800

Rebecca stated that we have paid for the Holly Hill repairs, and she plans to send the information to Raleigh to see if the State will reimburse us.

- Capital Project Fund for HUB Station
- \$795,000 Amended 805,300
 - Yearbook Sales \$4,800
 - Ticket Sales \$5,500
- Capital Project Fund
 - ◆ PARTF Optimist Park Redevelopment 445,160
 - Hudson Match \$222,580
- Contingency \$156,631 (\$30,000)= \$126,631
- Fund Balance Appropriations \$757,645

- General Fund Balance Appropriated 534,000
 - ◆ \$150,000 (Amended) \$384,000 = \$534,000
- Powell Bill Appropriated \$223,645
 - ◆ \$123,645 (Amended) \$100,000 = \$ 223,645

❖ Revenues

- Sales Tax: \$935,500 coming in on close to budget
- Property Tax \$1,092,000 Ad valorem; \$88,500 Motor Vehicle
 - (last revaluation 2013-next 2021)
 - \$.43/\$100 valuation Increase 4 cent three years ago
 - 1 cent tax = \$27,000

- Sanitation Fee : Contract Expected to increase significantly this year – *Should we plan to pass on any increases???*
 - Residential: 9.00/mo. billed \$108 annually on tax bill
 - Commercial: \$18/mo. billed \$216 annually on tax bill
- Fees
 - Review of all sales/service fees for recreation, HUB, zoning, extra garbage collection, police, etc.

➤ Lease Agreements:

❖ HUB Building A: Current Annual: \$11,520

- Focus: \$2,450/\$29,400 Vacated Now: 0
- Red Awning: \$600/7,200
- Kathy Carroll: \$240/\$2,880 Released Now: 0
- Room 210: \$360/\$4,320

❖ HUB A Building ??

- Lease Revenue to date: \$22,680
- Tickets/Other 15,000
- Auditorium/Dining Hall Budget: \$19,500 = \$57,180
- Expenditure Budget 2019/2020: \$320,700

- ❖ HUB Building B: Current Annual: \$22,680
 - Smart Start \$890/10,680
 - Paragon \$600/7,200
 - Blue Blanket \$360/\$4,320 Vacated: Now 0
 - Save the Machine \$400/\$4,800

- ❖ HUB B Building ??
 - Revenue to date: \$22,680
 - Expenditure Budget 2019/2020: \$43,500

- ❖ Dinner Theatre Revenue Budget: \$77,500
 - Expenditure \$71,375

- Cell Tower \$20,600

Other ?

❖ Expenditures

➤ Salary –

- +/- \$1.43 million 30 full-time and 15 part-time employees

- ◆ 1% increase = 17,000 (including fringe benefit)

- ◆ Fringe Benefits 36.7% \$526K

- Retirement Non-LE 10.15%; LE 10.9%

- 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%

- Cost this year \$9K \$7.5K

- FICA 6.2%

- MEDICARE 1.45%

- 401k Non LE 3%; LE 5% PD

- \$650/mo. Employee contribution \$20 ppp ????

- Longevity = \$21k

- ◆ 2% COLA (last year) - \$35K
 - 1% Merit Pay (last year) - \$17,500K
 - Health Insurance rate change unknown at this time – +1%=\$3,000
 - Special Separation Allowance Exp (3) \$34,000 exceed 1 cent tax
 - Police Officer fully staffed, Police Investigator - VACANT
 - Police Officer Ranking Plan implemented
 - Succession Plans
 - Town Manager *?
 - Public Works Director
 - Tax Collector/Town Clerk *
 - HUB Manager
 - * 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
 - Stormwater \$18,000
 - Increase ??
 - Capital Outlay items
 - ❖ Audit Contract \$15,000
 - ❖ Vacant Housing
 - ❖ Tax Foreclosure
- | | | | |
|--|-----------|-----|--------|
| Cost of Holly Hill Street/Stormwater Repair: | \$146,500 | 75% | \$110k |
| Cost of Hickman Ave/Stormwater Repair: | \$281,400 | 75% | \$211k |
| Engineering | \$ | | 50,000 |
| Dogwood Street Extension | \$ | | 50,000 |

Rebecca stated that we will need to decide whether or not we continue to contract with the COG for Code Enforcement.

Janet suggested that we could contract to have Teresa Kinney an additional day per week to handle code enforcement.

Rebecca stated that we also need to discuss relinquishing the ETJ area. She added that not having to look after the ETJ area would free up a lot of Teresa's time.

Rebecca stated that she plans to get the Department Heads their budget information in early March, and she anticipated needing to schedule another Budget Work Session in late March.

Discussion of Billboard:

Ann stated that Dillon Warren and Carmela Tomlinson had worked together to come up with an idea for a billboard. Ann also stated that Lamar has a billboard available near Mission Road for \$500 per month. She added that according to Lamar, the materials should last for 3 months. She added that we may want to start out with an ad about our upcoming dinner theater.

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The following was suggested:

1st – For 2 Months – Advertise dinner theater

2nd time renting – Butterfly Festival.

Ann stated that Lamar has recommended that we not include more than 2 events at a time on the billboard. Ann also mentioned the Bob Timberlake event that is coming up.

Motion: (Rick Shew/Larry Chapman) to rent a billboard for 2 months advertising dinner theater. Unanimously approved.

Beer/Wine Sales during Dinner Theater:

Rebecca stated that the possibility of having beer and wine available at the intermission of dinner theater has been discussed, and she asked if the Rotary Club would be interested in providing the alcohol for sale. She added that the Town could work out something with the Rotary Club – possibly share the profits.

Jeff stated that Rotary Club was meeting the next day, and he would find out if they were interested.

Music School Interested in Space at HUB Station:

Ann discussed the possibility of a music school renting space at HUB Station. She stated that the plans for the school are still very preliminary at this point, and she will be bringing more details in the near future.

Town Sponsor Advertised on Closed Caption:

Ann stated that Carl White has filmed a show with Keith Smith about dinner theater. He also did the show with Jan Karon which will be airing in a few weeks. Carl is asking if the Town would be a sponsor on closed caption for these shows. Ann explained that this would be a caption showing that the production was sponsored by the Town of Hudson. The ads would cost \$2,500 for captions on both programs.

Rebecca stated that we have \$2,500 available in general fund advertising.

Motion: (Rick Shew/Larry Chapman) to approve the \$2,500 for advertising closed caption, with the funds to be taken from advertising-general fund. Unanimously approved.

Thank You Note for Anderson Property Cleanup:

Janet stated that the Anderson Property is all cleaned up, and she commented that without the combined efforts of Gary Sparks with STAT, Inc., the Hudson Fire Department, and our representatives, this cleanup would not have been possible. She asked that the letter be done before the regular meeting on February 18th if possible.

Adjournment:

Motion: (Larry Chapman/Jeff Link) to adjourn the meeting. Unanimously approved.

Tamra T. Swanson, Town Clerk