

BUDGET WORK SESSION

March 29, 2021

In Attendance:

Members Present: Mayor Janet Winkler, Mayor Pro Tem, Larry Chapman, **Commissioners:** Jeff Link, Barry Mitchell, Rick Shew and Ann Smith

Members Present Virtually: Commissioner Jim Engelman

Others Present: Town Manager, Rebecca Bentley, Assistant Finance Officer, Michelle Coffey and Town Clerk, Tammy Swanson, also present virtually, Jonathan Greer

Call to Order:

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

WPCOG Presentation:

Rebecca discussed the charges the Town is paying to the WPCOG for services. Rebecca stated that Anthony Starr and Alison Adams were here, and would be discussing the costs for WPCOG services, and the implementation of N.C.G.S. 160D.

Anthony and Alison discussed the Town's contracts with the WPCOG.

- **Town Planner** – \$24,344, which would be the cost of the coming year. The costs for a planner cover salary of planner, the hours spent at the site, fringe benefits, travel, and indirect costs - which is done as a percentage. (The indirect costs are 32%, and is the same for every position.)
- **Stormwater Management** – Federal and State mandated. This will be a 5-year permit – hits 6 specific areas: the WPCOG does 5 - DEQ does one. The cost is \$17,392.50 per year, and covers the recordings that have to be done for the State – involve between 70 and 80 variables that have to be measured. It also includes training for the staff, management around facilities, dry weather walks/checks, and the sharing of information with the public at festivals about stormwater management. After 5 years, the permit will have to be renewed. Anthony stated that this is an unfunded mandate. A lot of local governments are having to pay a lot more, but the WPCOG was able to handle it as a group effort, which helped on the cost.

The stormwater fee was determined by the square footage of the Town. It is based on staff cost, area and population – a formula was made from these calculations. Alison stated that all the annual requirements have been done this year while the program is written.

Rebecca commented that the stormwater program for Hudson also includes the ETJ area. She stated that we have been wondering how we could generate revenue to pay for stormwater.

Alison stated that Conover has been exploring possibilities for help with funding for stormwater. She suggested that we get together with other local governments in the area and try to come up with ideas for funding stormwater. Rebecca commented that almost every large community charges a fee. Rebecca commented that we would probably need special legislation to attach a fee to a tax bill. Another

possibility might be to work out something with the City of Lenoir to charge a fee for us on water bills, since we do not have utilities.

Rick asked if Lenoir is considering a fee?

Allison said she has not discussed this with Lenoir.

- **Stormwater Mapping** – Alison stated mapping for stormwater would be done over the 5-year period. This helps to spread the cost out over different budget years. This would include mapping everything - swells ditches, culverts, infrastructure, etc.

Janet asked that a report be given to the Town so that we would know what is going on with these programs.

- **Comprehensive Plan** – Alison discussed N.C.G.S. 160D. The new Chapter 160D consolidates current city and county statutes for development regulations (now in Chapters 153A and 160A) into a single, unified chapter. Chapter 160D places these statutes into a more logical, coherent organization. While the new law does not make major policy changes or shifts in the scope of authority granted to local governments, it does provide many clarifying amendments and consensus reforms that will need to be incorporated into local development regulations.

Allison explained that Chapter 160D is effective now, but local governments have until July 1, 2021 for the development, consideration, and adoption of necessary amendments to conform local ordinances to the new law. However, 7/1/21 is not a “hard push” deadline. All city and county zoning, subdivision, and other development regulations, including unified-development ordinances, will need to be updated by that date to conform to the new law. Cities and counties that have zoning ordinances must have an up-to-date comprehensive plan or land use plan by July 1, 2022.

Allison stated that the WPCOG would have staff make changes, come to Town meetings, and work with Carroll on the language for the Town’s ordinance. Cost would be approximately \$10,000. Alison commented that it would be super tight for them to try and finish these updates in this fiscal year. She estimated that it would be December before it is done.

Anthony stated that the only time the July 1st deadline might hurt us is if a contractor tries to sue us because we do not have the new regulations in place. He suggested that the 160D updates are more pressing than the Comprehensive Plan.

- **Code Enforcement** - Optional 2-year contract - two options
 1. Proactive – cost is \$22,000 per year
 2. Complaint driven - cost is \$16,000 per year.

Rebecca stated that the Town paid the WPCOG over \$44,000 for Code Enforcement a couple years ago, and although it was new for both the WPCOG and the Town, we feel that we really didn’t get very much for our money.

Janet stated that we know the Code Enforcement staff worked; however, the monthly reports were hard to read, and we couldn’t understand what had been done.

Anthony stated that they realize there were problems initially with the program; however, they have worked to correct those issues.

Anthony and Alison discussed Proactive Code Enforcement vs. Complaint-Driven Code Enforcement.

- Proactive – actively going out to patrol. If we see a violation, we follow up without complaint.

- Complaint-Driven – start off with list of problem properties to work on Town priorities.

Jonathan commented that when we first started with the Code Enforcement program, we had a list of problem properties that we wanted focused on; however, that did not happen. So, we already have a list.

Anthony stated that Proactive could also work from a list from the Board. Complaint-driven would also include complaints from the public.

Janet mentioned that we truly have enough work to keep someone busy.

Jonathan stated that he likes the Complaint-Driven better. The Proactive approach may make the Code Enforcement Officer get bogged down, and not be able to address the issues the Board wants addressed.

Janet asked how many municipalities are using the WPCOG for Code Enforcement.

Alison estimated that they have 8 municipalities using the service, with five of them starting when Hudson started. Alison stated that the program is working better now – communication is much better.

Anthony stated that they would send the Town examples of the reports that are generated now with the program.

- **Senate Bill 288** - Anthony stated that this Bill was introduced by Sen. Warren Daniel. It applies to Burke County and the school Board in Burke County, and it would change when the elections are held for nearly all of the municipalities in Burke County. Pros to the Bill – all elections would be held in same years. Cons to the Bill– There are concerns that the municipal elections would be buried in the big elections of the even numbered year. Also if moved to the even numbered years, it might be only a matter of time until the municipal elections become partisan. Anthony added that this is a local bill, and is not subject to governor veto.
- **Earmarks** - Anthony stated that earmarks have not been done in a while, but are going to start happening again. He stated that they won't be the same as years ago, but will be for a particular program in communities. Each house member will be allowed to request up to 10 earmarks for their districts, limited to 1% of all discretionary spending.
- **Stimulus Plan-Rescue Plan Funds** – Anthony stated that they have not heard a lot about the guidelines for these funds yet, but he is sure there will definitely be guidelines. He stated that they have heard that the governor would like to see a lot of the funds go to water/sewer and broadband. The plan is for this funding to run with the State's budget process, but the decisions will not be made until June.

Rebecca stated that she is fairly certain one thing that could be done with the funding is to replace lost revenue due to the COVID-19, and to help with nonprofits.

Anthony and Alison left the meeting, and the Board thanked them for coming.

Discussion of Code Enforcement for the Town:

The Board discussed the need for a Code Enforcement Officer for the Town, and discussed Complaint-Driven vs. Proactive.

Recommendation – Split the cost for the Comprehensive Plan Update into two years, and go with the Complaint-Driven Code Enforcement Program.

Salary Discussion:

The Board discussed salaries for the upcoming budget year. They considered the issues being experienced with hiring in the Police Department, and how important it is for the Department to remain competitive with other agencies with salaries.

Chief Blevins had requested a 3.5% increase for the Department, and the Board discussed the possibility of adding a sign-on bonus.

Recommendation – 3% Increase for Regular Staff – 5% Increase for Police Department.

Tax Revaluation:

Rebecca stated that according the Caldwell County Tax Office, we can anticipate between a 10% and 12% increase with the revaluation.

Tammy stated that a very preliminary calculation of a 10% increase would increase the tax budget approximately \$150,000 over last year's budget.

CERRI Project:

Rebecca discussed the CERRI project, and the need to appoint a steering committee to work with the project. She suggested that the Board members come up with suggestions for nominations.

The following people were suggested as possible Committee Members:

- Rick Shew volunteered to serve.
- Ben Minton, owner of The Local Bean
- Mack Jarvis, Pastor of Hudson First Baptist Church
- Representative from Sattler
- Representative from BeoCare
- Amanda Du Sablon, Family Care Physician at FryCare-Hudson
- Kyle Clontz, Physical Therapist, Hudson Facility
- Bill Warren, Hudson Business Owner and Former Town Commissioner
- Terry Fowler, owner Fowler's Auto Service-Hudson
- Melanie McRae, owns Melanie's Hometown Pharmacy-Hudson
- Dr. Richard McBurney, local doctor
- Charles Shell, Accountant and Town Resident (Jonathan to contact)
- Jimmy Hemphill, Former Town Commissioner
- Brandon Revis, Walmart Neighborhood Market
- Carmela Tomlinson, Director of Small Business Center (HUB Station) – CCC & TI
- Kelly Pritchard, Owner Foothills Temporary Employment
- Mark Poarch, President of Caldwell Community College
- Katie Elliott, Principal of Hudson Middle School
- Ronnie Holman, RPM Wood Finishes
- Barry Mitchell – Commissioner
- Candice Hagaman, Educator/Business Owner
- Julian Baker, Local Developer

Budget Work Session 3/29/2021

- Ben Wyatt – Jonathan’s neighbor in Deer Creek who may be interested in serving on this Committee. Jonathan was going to take care of contacting Mr. Wyatt.
- Kathy Carroll, HUB Station Steering Committee

Rebecca stated that the program would only run for about 3 months, and although we don’t know exactly how many meetings it would include, Kyle Case will be doing most of the leg work for the project.

American Rescue Plan:

Rebecca stated that as Anthony mentioned before, we do not have clear guidelines yet for how this money can be spent. If one of the main focuses is broadband, we could possibly expand our Wi-Fi. Also, HCDA has experienced lost revenue due to the festivals being cancelled from COVID-19. Plus, the Town has also experienced lost revenue due to COVID-19.

Rebecca also mentioned the following for consideration:

- Restroom facilities in the park, plus our park restrooms are not on a public sewer
- Public restrooms for Hickman Windmill Park
- Downtown Parking – possibly purchase parking lot of Fairway Shopping Center
- Elevator for Building B at HUB Station – Suggested that Sherry Long and Anthony Starr come and look at Building B to see if there might be grants available to help with adding an elevator, etc.

Rebecca commented that we do not want to get burned by federal dollars. If we cannot spend the money on the things we need, it would be better just to give it back.

Capital Improvement Plan – CIP:

Rebecca reviewed last year’s CIP information with the Board, and stated that she has just received this year’s requests from the Department Heads.

Reviewed some of the upcoming issues that may have to be considered with the upcoming budget:

- Improvements at Public Works to meet stormwater regulations.
- Optimist Club may come to see the Town about taking over the Optimist Building. The property is currently zoned residential; however, it may serve as a great kitchen for food trucks.

Jonathan asked if the property could be rezoned to allow for a restaurant or other type of business.

Rebecca stated that rezoning the property might be a possibility.

Request for Rental Space at HUB Station – Jan Karon:

Janet presented a request from Jan Karon to use Room C-2 of Building A - 150 sq. ft. of retail space located behind Kim Picton’s spa area. The area has to be accessed through the commons area. If we charge \$1.00 per sq. ft., the rent would be \$150 per month. A rental rate of \$120 per month was also suggested. According to the request, Jan would like to rent the space for her curators to stage and photograph items that come into the museum.

Jan has also requested storage space upstairs – 3 spaces totaling 266 sq. ft. Rebecca stated that the Town currently has records stored in the same room with records from the Police Department. However, since Town records cannot be comingled with the Police Department’s records, our records are going to have to be moved, and the area Jan is requesting is where we were planning to use. Rebecca stated that we can purge

Budget Work Session 3/29/2021

some of the records, and she suggested that the Town may want to look into scanning our records instead of looking for more storage.

Ann commented that the storage areas Jan is interested in are very small, and could not be used for anything other than storage.

Jeff commented that since we were planning to use the space Jan is interested in for storage, there would be no revenue lost. There would be a cost involved with purchasing a scanner, but that needs to be done for the Town records anyway.

Jeff stated that in his opinion, the rental rate needs to stay consistent at \$1.00 per sq. ft. for all the tenants. He did suggest, however, that as a good faith effort, we could allow Jan to use the storage areas upstairs at no charge.

Motion: (Jeff Link/Rick Shew) to rent Room C-2 in Building A to Jan Karon for \$1.00 per sq. ft. - \$150.00 per month, and allow her to use the storage spaces requested upstairs for free. Unanimously approved.

Adjournment:

Motion: (Rick Shew/Larry Chapman) to adjourn the meeting. Unanimously approved.

Tamra T. Swanson, Town Clerk