

**Special Meeting of the Town Council  
Budget Retreat  
March 19, 2024  
9:00 am in the Civic Center  
Minutes & General Account**

**Council Members Present** – Mayor Montgomery, Council Members Rayborn, Wolfe, Burgess and Glanville

**Council Members Absent** – None

**Staff Members Present** – Town Manager Matthew Johnson, Director of Public Services Paul Blanchard, Finance Director Faith Wilson, Deputy Finance Officer Heather Lunsford, Human Resources Analyst Karen Strausser, Recreation Director Scott Coakley, Town Clerk/Assistant Town Manager Katie Weiner, Planning Director Anna Hawryluk, Grants Administrator Rebecca Ashby, Assistant Director of Public Services Jason Pegram, & Operations Manager Jamie Johnson

**Visitors Present** – Carol Brooks

**Call to order** – Mayor Montgomery called the meeting to order at 9:00 am.

- Pledge of Allegiance- Mayor Montgomery led everyone in the Pledge of Allegiance
- Moment of Silence – Mayor Montgomery called for a moment of silence.

**Introduction to Budget Retreat** - Johnson thanked everyone for attending the second budget retreat. He said his philosophy with respect to the budget was that the Town needed to take care of its assets first, and the employees were the greatest asset. He added that staff were the reason that citizens receive the types of services that they do. He noted that the cost of living was high in the Triad. Johnson said that the employees, citizens, and the Town’s operating costs were all impacted by inflation.

He reiterated the need to take care of employees. Johnson said that the Town also had to maintain its infrastructure: underground pipes, buildings, streets, equipment, and the equipment used to provide services to citizens. He added that the Town then needed to examine ways to improve services and budget for new assets, buildings, or additional services for citizens.

He stated that the primary source of revenue for the Town came from property taxes. Although, he noted that other revenue sources contributed to the General Fund. Johnson stated that the Water and Sewer Fund received revenue from the sale of water and sewer services.

He said that the employees, especially Faith (Finance Director) and her team have been working extremely hard to provide the highest levels of service at the best value for the cost. He stated that staff were keeping the Town’s mission statement, creating an exceptional quality of life for all citizens, by providing superior services, in mind while preparing the budget. He said that it would be a challenge to balance superior services with limited resources, and staff would need Council’s guidance with the preparation of the budget. Johnson said that he would like to receive

a consensus from Council on specific items so that staff could move forward with budget preparation.

**Discussion of Topics for 2024-2025 Fiscal Year Annual budget**

**A. Discussion about retirement rate, Cost of Living Adjustment and merit** - Strausser stated the Town offered employees retirement through the state of North Carolina, which had a mandated employer-matching rate that the Town had to pay every year. For the next fiscal year 2024-2025, the employer match would go up to 13.64%. Contribution rates were projected to go as high as 18-19%. Strausser said that it may eventually come back down, but that would not happen until maybe the 2030s. She highlighted that the Town had to budget for the increased employer contribution for the upcoming year.

Council Member Glanville asked about the amount of the employee contribution. Strausser said the employee contribution was 6%. She added that the employer contribution was the number that was increasing every year. She said that employees automatically contributed 6% of their salary, and the employer contribution was not affected by that contribution.

Strausser said that the Town had historically always tried to provide around 0 to 4% COLA. She stated that the Town was typically aligned with Social Security adjustments. She added that staff was recommending a 3% COLA increase, and a 0-3% merit increase for the employees for the upcoming fiscal year.

Council Member Glanville asked if staff knew what Guilford County was offering their employees. Strausser said she was not sure about Guilford County, but she had determined that the current average for COLAs across the state was about 3.7% and the average for merit increases seemed to be around 2.5%.

**B. Discussion about general debt obligation and fund balance** - Wilson said the Town was in a good position regarding debt obligations in the General Fund. She added that the Town did not have a lot of debt. She said the current obligations were around \$400,000 for the General Fund.

Wilson stated that Fund Balance was something that the Town needed to have for emergencies, and that it should not fund general operations. However, she added that it could fund some capital projects. She said the Town's policy was to keep around 40% of Fund Balance available. She stated that there was about \$1 million available to use for capital projects for the next fiscal year. She added that it was not advisable to spend all \$1 million because that would put the Town right at the 40% requirement and emergencies could arise.

Johnson said that staff would like to continue to replenish and grow the Town's Fund Balance.

**C. Discussion about contracts for services** - Wilson said that staff had reached out to the non-profits that the Town currently contracted with for services. She added that she hoped the contracts for the upcoming fiscal year would be approved in July.

Wilson and Council Member Rayborn briefly discussed funding for the Jamestown Public Library.

Johnson said the Jamestown Youth League (JYL) had lost its nonprofit status in December of 2023. He added that the Town had terminated its contract with them as a result. He said that staff had also had an exceedingly difficult time maintaining communication with the organization, and there were some concerns about contracting with them in the future if they were to have their non-profit status reinstated. He added that staff had received a proposal from Fusion to provide similar types of services, and their status had been verified.

Coakley said that staff met with Fusion about a month ago about potentially contracting with the Town. He said that they had sent a proposal and were very responsive when he currently engaged with them regarding field rentals. Coakley said that they had been great to work with.

Council Member Burgess asked if the Town could contract with Fusion in addition to JYL. Johnson stated that the Town could not contract with JYL until they restored their non-profit status.

Coakley stated that the Town could still rent fields to JYL for their games even if the Town could not contract with them.

Mayor Montgomery said that JYL would not be able to accept funds as a non-profit until their status was restored. She noted that they should be paying taxes on any income they receive at this point.

Council Member Wolfe discussed the number of Jamestown children that Fusion had in their program with staff. Coakley said that he was not sure of the exact number, but that their program was growing. He added that their proposal had included a \$25 reduction in the cost for uniforms for Jamestown residents.

Council Member Wolfe said she wanted to be sure that if the Town was contracting for services with Fusion that Jamestown kids were involved.

Council Member Rayborn stated that they could request that Fusion provide a number of participants that were Jamestown residents.

Consensus – Include Fusion as a contractor for services.

**D. Discussion about operating costs** - Wilson informed the Board that there was a memo from the League regarding a 24% increase from Duke Power. She added that they were expecting an additional 24% increase the following year. She said that she had not heard from Piedmont Natural Gas or Lumos, but she anticipated that there would be a little bit of an increase there.

Council Member Rayborn asked if the Town had ever done an energy audit.

Wilson responded that she was not sure, but it might be a good idea to do one. She added that she would start working on that.

Wilson said the League would send estimated numbers for sales tax, and that they projected a 2% increase over last year's sales tax for fiscal year 2024-2025.

Council Member Wolfe asked if the County had indicated increases for services for the Sheriff's Department, Animal Control Services, or Fire Department.

Johnson said the Animal Control services would be around \$12,000.

Wilson stated she was not sure about the Sheriff or Fire Department. She had not heard anything yet.

Johnson said that one way to budget conservatively would be to budget based on a 96% property tax collection rate instead of 99%. He said that would allow the Town to put some money back into Fund Balance.

Johnson stated Public Services had been conscious about refining costs for sanitation. He said it cost the Town about \$32 per household per month to service folks at the level of service that were being provided for garbage and recycling collection once a week, loose leaf collection, brush pickup, and bulk pickup. He added that he wanted to be more proactive in ensuring that the Town was charging an appropriate fee that would help offset some of the costs. He recommended a \$5 increase on the sanitation rate, which would bring it to \$20 per household per month. Johnson stated that this would take some pressure off the General Fund. He asked for feedback from Council on the proposed rate change.

Council Member Wolfe said that the rate increased by \$2.50 during the last budget cycle. She added that she thought the new collection methods were supposed to save the Town money on services. She stated that she had always believed it was a reasonable expectation of the taxpayer that 50% of the services be paid for by their taxes. Council Member Wolfe said she was in favor of going up to \$16 for the fee, but she could not support a \$20 fee.

Council Member Rayborn stated she would not support \$20 either, but she would support a \$16.00 fee.

Johnson asked if they would support a tax increase if it were required to close the gap.

Council Members Rayborn and Wolfe said they would not be in favor of a tax increase, and they would only support a \$1.00 increase from \$15.00 to \$16.00.

Mayor Montgomery stated that they had to be proactive. She noted that a \$16.00 fee would be sufficient for 2024-2025, but they had to consider the needs of the Town in 2025-2026. Council Member Glanville said she also thought the new collection methods would provide cost savings.

Johnson said he did not think they ever talked about a cost savings. He stated they had discussed the need to change the way solid waste was collected as the Town grew. He added that the Town could have continued with the previous method, but it would have cost more. He said that it would have required adding extra equipment. Johnson noted that new developments would not

allow the type of garbage pickup that was used in the past. He said that the new collection method may be a little bit cheaper, but the savings were probably related to labor. It was \$35 per household per month. He added that costs would continue to increase as the Town grows because the tipping fees and volume of waste would continue to increase. He said he was not advocating one way or the other, but he believed the prudent thing to do was to examine the costs to make sure that they were making good decisions going forward. Johnson stated that it sounded like Council would be in favor of a \$1.00 to \$2.00 increase.

Wilson noted that a \$16.00 fee per month per household rate would increase revenues by \$16,392. She added that a \$17.00 rate would increase revenues by \$32,784.

Johnson said the Sheriff's Department was requesting two new vehicles. They would cost about \$100,000 and would be in the upcoming year's budget. He said the Town's contract with them was \$500,000 and would increase to \$600,000 for the next fiscal year with the addition of the cars. He noted that it represented close to 10 cents of the tax rate. He would like Council's input on their satisfaction with the level of service. County residents pay for Guilford County Sheriff's Department services through their county taxes. He said citizens were paying again through the Town of Jamestown. He said the contract was dated 1991 and may need to be revisited.

The Council discussed their experience with the level of service.

Consensus – Johnson to reach out to the Sheriff's Department about services, fleet needs, updating the contract, and bring that information back to Council.

Wilson said staff was still waiting for information on water and sewer rates from the Piedmont Triad Regional Water Authority (PRTWA). She reached out to the EFC, the Environmental Finance Center, at the UNC School of Government, and asked them to conduct a rate study to ensure that the rates the Town was charging were adequate. She said we needed to make sure that the Town could maintain levels of service while also being able to fund things for different projects, such as line breaks, water leaks, and expansions that were getting ready to happen with PRTWA.

Council Member Wolfe asked about the revenue from the stormwater fee. Wilson said about \$14,000 a month was coming in for a total of about \$170,000 annually.

Mayor Montgomery called for a five-minute recess.

Mayor Montgomery resumed the meeting.

**Discussion about updated Capital Improvement Plan 2024/2025** - Wilson and Johnson reviewed the Capital Improvement Plan with the following must dos and highlights for General Fund:

- The Powell Bill and motor vehicle fee would fund roadway improvements and paving.
- Public Works needed a new leaf truck. Faith said she would send out a Request for Proposals (RFP) for financing the leaf truck. Public Works had been in discussions about the truck with a vendor, and they were going to save the Town \$30,000 on the truck.

- Staff were researching whether to purchase or lease new utility carts for Recreation.
- Crosswalk improvements were included in the CIP for a cost of \$30,000.
- Repairs and maintenance to the Civic Center were related to HVAC system issues and lighting in the room.
- Stormwater fees would fund storm drainage projects.
- New bathrooms at Jamestown Park were included for the upcoming year. The Town had received \$200,000 from the state and staff were seeking additional grant funding to cover the cost.
- Pump replacement was included at a cost of \$10,000.
- Service truck and snowplow were necessary.
- Fire Department architect fees were in the CIP for a cost of \$50,000. The Town was contributing half of the cost of the total project, and Pincroft Sedgfield would fund the rest.
- Fencing on the golf course was included for \$38,950.
- Johnson said a tractor for Recreation and Golf Course was necessary.

Mayor Montgomery said she would use Fund Balance minimally, if at all, to cover the cost of some of the projects.

Council Member Wolfe asked if there would be a separate opportunity for the public to speak about CIP projects that they would like the Town Council to consider including in the budget. Johnson said that staff might be able to host an opportunity before the April meeting.

Council Member Wolfe asked if there was money in the budget to have a 50<sup>th</sup> anniversary celebration for the Jamestown Park. Johnson said staff had included money in next year's budget to host multiple events during the summer.

Johnson said the "must do" projects cost about \$647,000, and there was about \$1,000,000 in Fund Balance for projects.

Council Member Rayborn said she would like an energy audit to be conducted before the Town funded the Civic Center project. She would like to push the lighting project out or use a temporary fix if that was going to be the most expensive cost.

Mayor Montgomery would like to separate HVAC and lighting for the Civic Center into two separate projects.

Consensus – separate HVAC and lighting in the Civic Center into two projects.

Johnson asked Council Members if there was anything else they would like to include or adjust in the CIP.

Council Member Wolfe said she would like to see the Wrenn Miller Bathroom Project moved up.

Council Member Burgess said taking care of the library was important because it was one of the Town's best assets.

Council Member Burgess discussed the improvements to the Grill at the Jamestown Park with Johnson and Coakley.

Blanchard reviewed the Water and Sewer CIP project list. He highlighted several projects that the Town had to fund for the Eastside Wastewater Treatment Plant. He spoke about the importance of manhole improvements. Blanchard noted specific water line and sewer projects included for the upcoming fiscal year. He also stated that the cost of a service truck for the Public Services Department had been included in the budget.

**Adjournment-**Council Member Wolfe made a motion to adjourn. Council Member Rayborn made a second to the motion. The motion passed by a unanimous vote.

The meeting ended at 11:44 am.

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Mayor

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Town Clerk