

Town Council Budget Workshop
March 2, 2019
8:00 am
Jamestown Park & Golf Course
Agenda

Council Members Present: Mayor Montgomery, Council Members Nixon, Wolfe, Capes, & Rayborn

Staff Present: Kenny Cole, Matthew Johnson, Judy Gallman, Katie McBride, Paul Blanchard, Ross Sanderlin, John Crowe, & Scott Coakley

Visitors Present: Carol Brooks & Tom Ozment

- **Call to Order-** Mayor Montgomery called the meeting to order
- **Pledge of Allegiance-** Mayor Montgomery led everyone in the Pledge of Allegiance
- **Moment of Silence-** Mayor Montgomery called for a moment of silence.

Cole thanked Council Members and staff for attending the meeting. He gave an overview of the agenda for the meeting.

- **Discussion of the Capital Improvement Plan (Departmental Discussions with Town Council) –** Cole stated that staff would be presenting their capital improvement project requests to Council. He also defined what a Capital Improvement Plan (CIP) was and explained the benefits of planning for future expenditures. He noted that a CIP defined present and future priorities. He also stated that a capital improvement was any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeded \$5,000 and the estimated useful life was greater than 5 years.

Gallman explained that the capital projects had been broken into the following categories:

- **“Must Do”-** projects that involve health, safety, welfare, legal mandate, renovation/replacement, or expansion
- **“Should Do”-** projects that staff believe should be funded in the upcoming fiscal year or in the near future
- **“Could Do”-** projects that staff would like to see funded, but that may not fit in the budget

Cole stated that staff was looking for direction from Council about which projects they wanted to prioritize.

- **Administration-** Cole presented the capital improvement project requests from the administration department. He stated that renovations to Town Hall and the Civic Center had been listed on the preliminary CIP. He noted that the renovations were not considered a “Must Do,” but he believed that they fell into the “Should Do” category.

He noted that the proposed Town Hall renovations would divide the current Council Chambers into office spaces. The Council would then conduct their meetings in the Civic Center. Cole stated that staff had estimated that the cost of the renovation would be about \$25,000.

Council Member Wolfe stated that she did not believe that renovations to Town Hall were necessary. She suggested that it be moved to a “Could Do” project.

Cole stated that the Civic Center renovation was also listed as a potential project. He said that the space was underutilized. Cole said that small changes could be made that would make a significant difference.

Council Member Capes stated that renovating the Civic Center made sense because it was a space that was also used by community groups. He also noted that installing a sound system or improving the acoustics of the building would be beneficial.

Council Member Rayborn said that she wanted to ensure that the Civic Center could be used for multiple purposes.

- **Public Services-** Blanchard spoke about the capital improvement projects listed in the general fund. He gave an overview of the ongoing sidewalk projects that were “Must Do” items. He also spoke about roadway improvements that were being funded by the Powell Bill. He noted that crosswalk improvements were listed as a “Must Do.”

He stated that the purchase of a knuckle boom truck was listed as a “Should Do.” He said that the truck could lift heavier and larger items. It could reduce the number of injuries suffered by public service employees.

There was discussion between Council Members and Blanchard about the benefits of the knuckle boom truck.

Blanchard also spoke about the capital improvement projects listed in the Water/Sewer Fund. He stated that there was equipment utilized by the public service department that needed to be purchased. He had placed that as a “Should Do” item.

Blanchard gave an overview of the Town’s sewer system and the maintenance it required. He noted that he would like to slip line the area along Deep River and Forestdale North. He also stated that repairs and upgrades to the Riverdale Pump station were listed as “Must Do” projects.

There was also a discussion between Council Members and staff about the repainting and potential uses of the water tank.

- **Planning-** Johnson spoke about the capital improvement projects in the Planning Department. He gave an overview of the ongoing sidewalk projects that were included in the CIP. He also noted that the Comprehensive Plan needed to be updated. He spoke about the importance of having a plan in place as more development within the Town occurred.

Several Council Members spoke in support of updating the Comprehensive Plan in order to prepare for future development.

Johnson also noted that there were several sidewalk projects that were listed as “Could Do” items. He stated that sidewalks were very popular with the public. However, he said that they were very expensive to construct.

Council Members spoke about the potential sidewalk projects.

- **Golf Course/Recreation-** Sanderlin gave an overview of the CIP projects for Jamestown Park and Golf Course. He noted that there needed to be some repaving done on the parking lots. He also stated that there were some driving range improvements listed in the CIP.

Sanderlin and Crowe spoke about the benefits of investing in a piece of equipment called a Frazee Mower. They stated that it would prolong the life of the greens at the Golf Course.

There was a brief discussion between Council Members and Crowe about the cost-benefit analysis of renting versus buying the equipment.

Crowe also noted that the construction of the golf course maintenance building had been delayed due to a large amount of topsoil near the site. Cole stated that the rainy weather had prevented Town staff from transporting it. He noted that the project would proceed as soon as the topsoil could be moved.

Crowe briefly spoke about the replacement of the drainage system at the Golf Course.

Coakley gave an overview of the CIP projects in the Recreation Department. He highlighted the PARTF grant strategic plan. He stated that a Steering Committee had been put into place to assist staff with the selection of a consultant that would help create the plan. Coakley said that staff planned on applying for the PARTF grant in 2020. He noted that the Town would need to create a strategic plan and update the master plan in order to meet the qualifications of the application.

Coakley also spoke about improvements to the athletic fields and parking lots.

Council Member Nixon stated that installing lights at the baseball fields would be very beneficial.

Cole thanked staff for presenting their capital projects to Council.

Council Member Wolfe stated that she would like to see two other projects. She noted that she believed it would be great to install a light at the Council Chamber entrance of Town Hall. She noted that the area was not very well lit. She also stated that it would be great if Town Hall had its own generator.

Council Members agreed that the projects would be beneficial. Cole said that he would add them to the CIP list.

- **2019/2020 Budget Discussion**-Cole stated that staff was looking for direction from Council on the budget for 2019/2020 fiscal year.

Gallman noted that the budget was still in a preliminary stage. She stated that the budget ordinance was approved by department and not by line-item. She gave an overview of the summary of all funds and compared it to the budget for the previous fiscal year. She highlighted the following percentage changes between the 2018/2019 budget revenues and the preliminary 2019/2020 budget revenues:

- General Fund had an increase of 1.83%
- General Capital Reserve had an increase of 3.38%
- Water/Sewer had an increase of 6.6%
- Water/Sewer Capital Reserve had an increase of 0.25%
- Randleman Reservoir Capital Reserve had a 0% change
- Total Revenues and Other Financing Sources- All Funds had an increase of 3.68 %

Gallman also noted the following percentage changes between the 2018/2019 budget expenditures and the preliminary 2019/2020 expenditures:

- General Fund had an increase of 1.83%
- General Capital Reserve Fund had an increase of 3.38%
- Water/Sewer Fund Total had an increase of 6.6%
- Water/Sewer Capital Reserve (for future expenditures) had an increase of 0.25%
- Randleman Reservoir Capital Reserve (Transfers) had a 0% change
- Total Expenditures and Other Financing Uses- All Funds had an increase of 3.68%

(Summary of all Funds)

Gallman stated that the preliminary budget also included a 2% Cost of Living Adjustment (COLA) and a potential 0-2% merit raise. She said that staff was also proposing to raise the minimum pay rate for full-time employees to \$14 an hour. She noted that some of the municipalities in the surrounding areas had increased their minimum pay to \$15 an hour and that the Town needed to be competitive. Gallman said that it would affect very few of the current Town staff.

Council Member Wolfe and Council Member Rayborn both stated that they were in favor of increasing the minimum pay.

Gallman said that the state was also requiring that municipalities contribute a higher percentage of money to their employee's retirement funds. She explained the reasoning the state treasurer had given for the increase.

She also noted that the cost of health insurance was going to increase.

- **Fund Balance and Non-Profit Discussion**- Gallman stated that there was about \$1 million in Fund Balance that exceeded the amount that the Town was required to maintain. She gave

Council an overview of the money that would be used from fund balance to complete capital improvement projects.

Cole asked Council if they were satisfied with the amount of money in Fund Balance. They agreed that they were.

Cole stated that the non-profit policy had been amended in 2013 to limit the amount of money given to non-profits to \$100,000. He noted that non-profits that were granted money were required to give Council an annual presentation on how the funding was spent. He also highlighted the upcoming deadline for grant applications. Cole gave an overview of the funding that was granted to each non-profit in the previous fiscal year.

There was a brief discussion between Council Members and staff about the allocation of funding to non-profits.

Council Member Rayborn stated that she would like to offer a one-time partnership grant. She said that the community groups do a lot for the Town. She said that she would like to encourage organizations to partner with each other in order to generate new ideas.

Cole asked Council if they were satisfied with the \$100,000 funding limit for non-profits. There was discussion about the limit amongst Council. Council Members Capes and Wolfe stated that they believed that it should remain at \$100,000.

- **Wrap up 2019/2020-** Cole stated that he appreciated the feedback from Council. He said he believed that the Town staff was doing an excellent job.
- **Adjournment-** Council Member Nixon made a motion to adjourn. Council Member Capes made a second to the motion. The motion passed by unanimous vote.

The meeting ended at 11:10 am

Mayor

Town Clerk