

**Town Council Budget Retreat**  
**April 14, 2023**  
**9:00 am in the Civic Center**  
**Agenda**

**Council Members Present:** Mayor Montgomery, Council Members Wolfe, Capes, & Straughn

**Council Members Absent:** Council Member Rayborn

**Staff Members Present-** Matthew Johnson, Katie M. Weiner, Paul Blanchard, Anna Hawryluk, Judy Gallman, Faith Wilson, & Scott Coakley

**Visitors Present:** Carol Brooks

**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.

**Introduction to the Budget Retreat-** Johnson welcomed everyone to the Budget Retreat. He started the meeting by reading the Town’s mission statement which is as follows: “Creating an exceptional quality of life for all citizens by providing superior services.” He added that the Town’s vision statement was as follows: “Jamestown will be a thriving community with strong roots in our history. One dedicated to a high quality of life for residents of all ages, including: recreation, education, and supporting businesses. A community of clean, beautiful, and safe surroundings, and welcoming neighborhoods where everyone can feel at home.” He stated that staff kept those tenants in mind when creating the 2023/2024 Fiscal Year (FY) Budget.

Johnson presented Council an overview of the budgeting process that began in January. He noted that department heads had been meeting with Weiner, Gallman, Wilson, and himself. He added that Gallman and Wilson had been working diligently to prepare a balanced budget, despite challenges. He said that Gallman had determined that the proposed expenses would exceed the expected revenues by \$1.5 million. He noted that the shortfall had resulted from the rapidly increasing costs of goods/services and a decrease in expected revenues from sales tax, franchise tax, and other revenues sources. He added that Weiner, Gallman, Wilson, and himself had reviewed the budget line-by-line and had cut or deferred costs where possible. He said that the following projects had been removed from the CIP:

- Tractor and implement- Golf Maintenance- \$108,000
- Lane Marker- Recreation- \$41,000
- Wrenn Miller Park Bathrooms- Recreation- \$450,000

Johnson added that the Penny Road sidewalk project had be deferred for at least a year, and architect fees for the fire station had been removed. He stated that staff had also taken a close look at the Golf Course budget at the suggestion of several Council Members. He said that staff had made the difficult decision to recommend a reduction in force of 2 positions at the Golf Course. He added that the deferments and reductions brought the deficit to \$550,000.

Johnson stated that the Town received revenue from the sales of goods/services (example water/sewer) and tax revenues. He said that staff was recommending a 10 cent tax increase to balance the budget. He noted that 1 cent equated to approximately \$60,000. He added that the budget did not include a provision to increase the Town's Fund Balance which would be necessary within the next 3 years. He added that the budget for the 2024/2025 FY may be equally challenging.

Johnson spoke about the various factors that led to the current situation. He stated that the deferment of projects between the years 2016 and 2021 negatively affected the budget. He added that COVID related supply chain issues had a major impact on finance rates, equipment delivery times, and costs of goods. He noted that the Town had been forced to purchase equipment during the current fiscal year because of the supply chain and the money for those items were encumbered even if they were not going to be delivered until the next fiscal year. Johnson said that a lack of periodic tax and fee increases had not provided a cushion to help alleviate the growing financial pressures being faced by the Town. He stated that there had not been a tax increase for the operating budget since 2008. He added that the Town faced rising costs for legal fees due to the DR Horton Development, ordinance enforcement issues, and large public record requests. He noted the Town also had a responsibility to comply with unfunded mandates from the State like stormwater and new accounting requirements. Johnson said that the Town had to prepare for the growth that would occur in the coming years by hiring new employees and making some necessary changes to operations. He stated that the Town had used Fund Balance to construct the Golf Maintenance building, construct bathrooms at the Jamestown Park & Golf Course, renovate Town Hall to create additional office space, and purchase two solid waste trucks.

Johnson said that although the budget was extremely challenging, it was worth noting that staff had secured \$3.5 million in grant funding during the past year. He added that the money represented half of the General Fund budget. He stated that it would pay for the following:

- New sidewalk projects
- Stormwater repairs at the Jamestown Park & Golf Course
- Improvements to the Jamestown Park-
  - Age and ability inclusive playgrounds, fitness equipment, dog parks, natural play areas, shelter improvements, volleyball renovations, and basketball renovations

Johnson said that the Town's mission to provide superior services had become more expensive. He added that staff worked hard to continue to provide the very best services to citizens. He stated that the tax base was poised for growth, and that the Town would be a stronger community even though there were some hard decisions to make moving forward.

#### **Discussion of the 2023/2024 Fiscal Year (FY) Annual Budget and Capital Improvement Plan (CIP)-**

Gallman presented information on the 2023/2024 FY Budget and CIP. She stated that there was a Cost of Living Adjustment (COLA) of 4% and a 0-3% possible merit increase for employees included in the budget. She reiterated that there would be a workforce reduction of 2 positions. She added that the employer rate of contribution for retirement had increased from 12.5% to 12.89%. Gallman noted that health insurance was increasing by approximately 2.5%. She stated that a Grant Administrator and Assistant Public Services Director had been hired during the current year. She added that money had been included for a part-time Assistant to the Town Clerk for the upcoming year.

Gallman spoke about proposed rates. She noted that the water rate would increase by 4% to match the rising costs to purchase water from the Piedmont Triad Regional Water Authority (PTRWA) and the City of High Point. She added that the sewer rate would go up by 30% to match the increased cost the Town

had to pay the City of High Point to treat the wastewater. She added that the monthly fee for garbage and recycling would increase by \$2.50.

Gallman reiterated that the following projects had been deferred: tractor & implement, lane marker, and the Wrenn Miller bathrooms.

Council Member Straughn discussed the Town's contract with the Guilford County Sheriff's Department with Gallman. He asked if they were providing the Town with information regarding their policing activities. Gallman stated that she was not receiving that information from them. Council Member Straughn said that he believed it was something that staff should request. He also suggested that the Town consider paying an off-duty officer for additional coverage instead of paying for contracted positions. He noted that it could save the Town money, and the Town would still have 100% coverage during specified hours. Johnson said that he believed the Town benefited from having a contract with the Sheriff's Department.

Gallman noted that staff had budgeted \$50,000 in preparation for the upcoming stormwater audit. She spoke about financing options for the mowers that had been ordered for the Golf Course in order to spread out the debt payments. She highlighted the projects included in the Water/Sewer Fund. Gallman stated that revenue had been included in the budget for the collection of stormwater fees beginning in January. She added that an annual \$30 motor vehicle fee had also been included, and that the revenue received would be reserved for resurfacing.

Council Members discussed areas that could be cut in the budget with staff.

Council Member Straughn asked how much revenue the Town would receive through the \$30 motor vehicle tax. Gallman said that the information from the previous year indicated that it would result in about \$90,000. Johnson said that it would take 64 years to resurface all the streets if the Town kept maintaining the roads at the current pace. Mayor Montgomery said that all the surrounding areas collected a motor vehicle fee. Council Member Straughn and Council Member Wolfe were concerned about adding an additional fee and the increased financial burden that it may place on individual citizens. Council Member Wolfe said that the Powell Bill served as a revenue stream for resurfacing and she was not in favor of the fee. Council Member Straughn was also opposed. Council Members continued to discuss the motor vehicle fee with staff. Mayor Montgomery spoke about the need to consider the larger impact that implementing a fee could have ten years in the future. Council Member Wolfe and Council Member Straughn reiterated that they were against the motor vehicle fee. Council Member Capes said that the fee had been discussed every year that he had served on Council. He added that nobody liked additional fees, but the Town had a responsibility to maintain its assets.

Council Member Straughn discussed the property tax revenue that the Town received after the revaluation with Gallman.

Gallman said that the State required municipalities to maintain a certain amount of fund balance. She said that it was prudent to keep a healthy fund balance in case emergencies were to arise. She added that the Town needed to work to replenish the money that had been used to complete some of the capital projects.

Council Member Wolfe asked Gallman how the budget would be affected if the motor vehicle fee were removed. Gallman said that it would impact the funding for street resurfacing. Johnson stated that it

was important to include the fee so that the Town could maintain its assets. Blanchard presented additional information to Council regarding the resurfacing schedule. He reiterated that it would take 64 years to resurface all the streets at the current pace. He said that the Town was struggling to stay on track.

Council Members discussed contracted services with non-profits with Gallman.

**Discussion about the Town of Jamestown’s Strategic Plan-** Hawryluk spoke about the updates that she had made to the Strategic Plan after receiving Council’s feedback at the March 23<sup>rd</sup> meeting. She noted the new priority goals included in the Plan.

Council Member Wolfe suggested that the goal to “Schedule a candidate information session” be moved to ongoing goals. Council Members agreed that it should be moved. Hawryluk stated that she would make that change.

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

The meeting ended at 11:38 pm.

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Mayor

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Town Clerk