

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

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

**Council Members Absent:** None

**Staff Members Present:** Matthew Johnson, Katie M. Weiner, Anna Hawryluk, Paul Blanchard, Faith Wilson, Scott Coakley, Rebecca Ashby, Heather Lunsford, and Karen Strausser

**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.

Mayor Montgomery thanked Wilson, on behalf of Council, for her hard work on the budget while also going through the audit.

**Introduction to Budget Retreat-** Johnson requested Council's guidance to finalize the upcoming budget for a presentation at the May 21<sup>st</sup> Council meeting with adoption at the June 25<sup>th</sup> Council meeting. He stated that the Town worked hard to take care of its assets and the main source of funding resulted from the collection of property taxes. He said it was a challenge to balance funding superior services with limited resources. Johnson reviewed some of the services he felt were unique to the Town such as; full-time contracted police and fire services, weekly solid waste, recycling and yard waste collection, monthly bulk pickup, and continuous loose-leaf collection during the leaf season. He added that preparation of the budget was challenging with inflationary pressures. He noted the following rate increases: Duke Energy increase of 24%, Piedmont natural gas increase of 15%, healthcare increase of 5%, telecommunications increase of 15%, fuel costs budgeted to go up roughly 20%, solid waste collection fees increase of 10%, tax collection costs through Guilford County increase of 13%, liability insurance and bonding insurance up 20%, and employer retirement contributions up nearly 2%. He said staff also anticipated a reduction in interest rates and revenues from investments.

Johnson stated the proposed budget General Fund estimated revenues were \$7.7 million and expenditures were approximately \$7.9 million. He noted that there was a deficit of \$255,000. He added that one additional penny on the tax rate would yield approximately \$60,000 in revenue. He noted that a 4.5 cent tax increase would be required to balance the operating budget, and that the expenditures did not include any capital projects. He stated that staff had removed the costs for budgeting software, financial forecasting software, two part-time positions in recreation, and a holiday decoration line item to try to reduce expenditures. Johnson said that staff had reviewed every line item in each department in order to reduce the burden on the General Fund without impacting services.

**Discussion of the 2024/2025 Fiscal Year (FY) Annual Budget and Capital Improvement Plan (CIP)** – Johnson said the Town had been selected to host a North Carolina UNC Chapel Hill School of Government Fellows student that would help with the implementation of a Citizens Academy and provide assistance to the Finance Department for approximately a year at a cost of \$25,000 to the Town.

Council Members and staff discussed the difference between an intern and a Fellows student, things the student would do, and the fact that the Town would not have to pay benefits for the student.

Johnson explained that customer service training, a priority on the strategic plan, would cost \$23,000.

Council Member Wolfe asked what the training would entail, and if it would be conducted by an outside consultant. Johnson replied that it would be provided by Dave Treme, an outside consultant. It would take about six months, and the consultant would work with each department to develop a customer service plan.

Johnson stated that the Sheriff's Department had requested that the Town purchase two cars at a cost of roughly \$100,000.

Johnson informed Council that the budget included \$15,000 for special events at the Golf Course.

He said that staff recommended keeping the Fellows Program at a cost of \$25,000, removing the customer service training at \$23,000, purchasing only one car for the Sheriff's Department, and to cut costs for special events at the Golf Course. He stated that this would reduce the deficit by about \$88,000.

Johnson said a solid waste fee increase of \$3 was included in the proposed budget.

Council Members Wolfe, Rayborn, and Glanville said they thought the solid waste fee increase should be \$1 to \$2 instead of \$3. They believed that taxes should cover 50% of the costs for the services. Mayor Montgomery recommended that the fee be increased by \$3 in order to be in a better financial position in the future.

Johnson said it costs the Town \$32 per household per month to provide solid waste services and the current solid waste fee for residents was \$15. He stated that a 3-cent tax increase would be necessary if the solid waste fees were increased by \$3. He added that a larger tax rate increase or a reduction in services would be required to balance the budget if the proposed solid waste fees were reduced.

Council Member Rayborn stated that the Town pays \$600,000 for Sheriff Department services, and other towns do not pay for those services. She said that Council may need to have a larger conversation about the contract with the Sheriff's Department. She said she would not support increasing both taxes and fees because there were several increases included in the budget for the current fiscal year. Council Member Rayborn said that people had told her that they would prefer a tax increase over a fee increase. She added that she would rather fund customer service training instead of incurring the costs of hosting a Fellows student. She was concerned about the additional work a Citizens Academy would require for staff after the Fellows student was no longer involved with the Town.

Council Member Burgess stated that it was important to focus on current needs of the Town. She agreed that she would rather spend money on customer service training. She added that an intern may be able to assist the Town with a Citizens Academy for a lower cost. She also stated that several senior citizens had informed her that they were concerned about fee increases.

Council Member Wolfe said customer training had been on the strategic plan for a long time. She said it would be beneficial for residents to have pleasant interactions with staff. She said she liked the Fellows program, but it may be difficult for staff to take on additional responsibilities that would result from the Citizens Academy. She said that the Town could celebrate the 50<sup>th</sup> anniversary of the Golf Course in some inexpensive ways. She added that she would like the opportunity to review line items to see if anything else could be reduced.

Council Member Glanville asked if the Fellows student was an on-going thing or one year only. She asked if drug testing was federally mandated. She added that she preferred a tax increase because it was more evenly distributed.

Johnson said the Town would have to apply annually to be considered to host a Fellows student.

Strausser explained that the Town drug tested all new employees and that quarterly drug tests were federally mandated for drivers.

Mayor Montgomery stated that she would prefer to purchase one car for the Sheriff's Department each year instead of two every other year. She asked Council Members to consider how the Town would function and pay its expenses if it does not increase revenue. She added that \$200,000 was needed just to maintain current services.

Johnson informed Council that 14 cents of the tax rate was for the Fire Department, 8 cents was for the Sheriff's Department, and 37 cents of the 58.5-cent tax rate was used for operations.

Council Members agreed on the following:

- No participation in the Fellows Program
- Include customer service training
- No purchase of cars for the Sheriff's Department
- Decrease Special Events line item by \$15,000

Johnson said the above changes would require a 2-cent tax increase to balance the budget.

Mayor Montgomery called for a five-minute recess at 10:18 am.

Mayor Montgomery called the meeting back to order.

Johnson reviewed the fiscal year 2024-2025 Capital Improvement Projects (CIP) with Council. He stated that it was updated with input from the March meeting and staff had deferred projects that were not considered mission critical. Projects staff believed to be mission critical were:

- \$10,000 for irrigation pump replacement for the golf course
- \$60,000 service truck replacement and \$9,000 for the snowplow replacement
- \$18,000 a plugger for the golf course
- \$50,000 Fire Department architect
- \$40,000 fencing on the golf course
- \$300,000 dam replacement on the golf course (safety issue)
- \$80,000 paving between the recreation and golf building maintenance shops
- \$30,000 for possible HVAC replacement as a contingency

Johnson said the projects totaled \$644,500. He added that available unrestricted Fund Balance was \$700,000. He noted that staff did not recommend funding the projects solely out of fund balance. He said it would be better to use about \$120,000 from the operating budget, which would be a 2-cent tax increase, to cover the CIP projects. Johnson suggested doing safety-related projects first, which accounted for about half of the \$644,500 and then discuss funding the remainder of the projects with Council mid-year.

Mayor Montgomery said that would use about \$424,000 of the reserve.

Johnson stated his understanding of the consensus from Council was to include a 2-cent tax increase for the operating budget and a 2-cent tax increase for CIP for a total of a 4-cent tax increase.

Johnson discussed the Water and Sewer Fund budget stating that a minimum increase of at least 10.25% would be required to fund future capital expenditures as part of the partnerships for

water and wastewater treatment. He said that a 17% increase would be best, but Finance believed a 14% increase would be more palatable.

Council Member Wolfe asked what the increases were from High Point and PTRWA.

Wilson said the increase from High Point/Greensboro was 10.25% and PTRWA was 4%.

Wilson stated that if the Town implemented a 14% increase, it would result in a 50-cent increase for residents for the cost of eight units of water. She added that the costs would go from \$3.40 to \$3.90. She said that sewer would increase from \$5.50 per unit to \$6.30 per unit.

Johnson said a \$3 increase for garbage was also included which would increase an average bill, assuming 8 units for water and sewer, from \$86.20 to \$99.60, a difference of \$13.40.

Johnson reviewed the status of the proposed budget as balanced with a 4-cent tax increase. For an average house in Jamestown with a tax value of about \$300,000, a 4-cent tax increase would be an additional \$120 a year, or \$10 a month. He clarified for Council that a \$3 solid waste fee increase was also included with the 4-cent tax increase for the General Fund. He said that if there was no solid waste fee increase, a 5-cent tax increase would be necessary. He noted that a 5-cent tax increase would be \$150 more a year or \$12.50 a month.

Council Members Wolfe, Rayborn, and Glanville discussed concerns about increasing the solid waste fee particularly for senior citizens and whether it was better to do small incremental increases or larger, less frequent increases.

Johnson stated staff would prepare the proposed budget with a 5-cent tax increase, take out the \$3 solid waste fee, and make the other changes discussed.

Council Member Wolfe stated she thought it had been brought down to a 3-cent tax increase.

Johnson replied that would leave a 2-cent tax increase on the General Fund items, 2-cent for CIP and taking out the solid waste fee would equal 1-cent, for a total of 5-cents.

Wilson reviewed the contract services line item and asked Council if there were any changes:

- \$64,000 Library
- \$10,500 Historic Jamestown Society
- \$10,000 YMCA
- \$10,000 Fusion

Council discussed using the funding that had been allocated for JYL for the current fiscal year to provide additional funding to the other nonprofits. Council agreed to split the JYL funding between the Historic Jamestown Society and the Library. They had no other changes.

**Adjournment**

Council Member Glanville 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 11:11 am.

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Mayor

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Town Clerk