



The Mebane City Council met for its regular monthly meeting at 6:00 p.m., Monday, June 5, 2023 in the Council Chambers of the Glendel Stephenson Municipal Building located at 106 E. Washington Street.

Councilmembers Present:

Mayor Ed Hooks
Mayor Pro-Tem Tim Bradley
Councilmember Katie Burkholder
Councilmember Sean Ewing
Councilmember Montrena Hadley
Councilmember Jonathan White

Also Present:

Chris Rollins, City Manager
Preston Mitchell, Assistant City Manager
Lawson Brown, City Attorney
Stephanie Shaw, City Clerk
Ashley Ownbey, Development Director
Daphna Schwartz, Finance Director
Beatrice Hunter, HR Director and REAC Liaison
Chuck Smith, Public Works Director
Franz Holt, City Engineer

Mayor Hooks called the meeting to order. Pastor Sammy Ballard of First Baptist Church of Mebane gave the invocation.

The Council recognized Mike Harris for his for his outstanding service to the community of Mebane and Alamance County. Mayor Pro-Tem Bradley read aloud the following Resolution of Recognition and presented it to Mr. Harris.

**A RESOLUTION HONORING MIKE HARRIS FOR HIS OUTSTANDING SERVICE
TO THE COMMUNITY OF MEBANE AND ALAMANCE COUNTY**

WHEREAS, Mike Harris began his service with the Mebane Fire Department in January of 1993; and

WHEREAS, during his 30 years of dedicated volunteer service with the Mebane Fire Department, not only has he spent countless hours training for and responding to emergency calls, he has also served in important leadership roles on the department's Executive Board as Treasurer and as a Volunteer Captain; and

WHEREAS, in 2016 Mike established Mebane Fire Department's Junior Firefighter program and has served as lead advisory for the program for 7 years, tirelessly devoting his time working with the youth in the Mebane community, training them on fire and emergency medical skills, while helping them learn responsibility and team building skills; and

WHEREAS, under Mike's guidance, several junior firefighters have become volunteer firefighters in the area with a few becoming career firefighters, two of which are currently serving in the Mebane Fire Department; and

WHEREAS, in 2016, Mike was selected to receive the prestigious Gregg Hinson Firefighter of the Year award which is voted on by the volunteer and career firefighters of the Mebane Fire Department and speaks volumes to Mike's dedication and good character; and

WHEREAS, in addition to Mike's service to the Mebane Fire Department, he is also actively involved with the Habitat for Humanity of Alamance (HFHA), serving as a member of the Core Construction Team leading volunteers to build quality and affordable homes for families in need; and

WHEREAS, Mike's employer, Canfor Corporation, recently selected Mike as one of two winners, one from the United States and one from Canada, for their 2022 Community Builder Award for outstanding volunteerism. As a winner, he will receive \$5,000 to donate to a charitable organization of his choice, which he chose to be HFHA.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Mebane expresses its deepest gratitude and appreciation to Mike Harris for his more than 30 years of dedicated service to the Mebane Fire Department, citizens of Mebane and the entire community of Alamance County, North Carolina and we extend our sincerest congratulations on his recent award.

Adopted this 5th day of June, 2023.

Ed Hooks, Mayor

Mayor Hooks commended Councilmember Montrena Hadley as she was recently presented with a Lifetime Achievement Award for Excellence in Public Service by the North Carolina Retired Governmental Employees Association. He gave an overview of her 30-year career in local government. The Council, staff and audience applauded her for this award and several other accomplishments named by Mayor Hooks.

Mr. Rollins introduced Mitchell McKinney who will be the City of Mebane’s next Police Chief beginning July 24, 2023. Mr. McKinney shared a few words and thanked the Council for the opportunity.

During the Public Comment Period, Donna Sowder, 402 Doral Court, Mebane, shared her concerns with the proposed property tax amount, specifically the 3 cents of the proposed 38 cents to be set aside for a “restricted fund”, stating the fund seems unnecessary. She also shared comments regarding the proposed employee wage increase, stating that based on her research most average wage increases are in the range of 4%-5%.

Mayor Hooks gave an overview of the Consent Agenda as follows:

- a. Approval of Minutes-
 - i. April 17, 2023 Special Meeting- Budget Work Session
 - ii. May 1, 2023- Regular Meeting
- b. Orange County Transit Agreement
- c. Reapproval- Final Plat- Cameron Lane Dedication
- d. FY 2022-23 Budget Ordinance Amendment

Mr. Bradley made a motion, seconded by Mr. Ewing, to approve the Consent Agenda as presented. The motion carried unanimously.

Item d.

BE IT ORDAINED by the Council of the City of Mebane that the Budget Ordinance for the Fiscal Year beginning July 1 2022 as duly adopted on June 6, 2022, is hereby amended as follows:

ARTICLE I

| APPROPRIATIONS | Current Budget | Change | Revised Budget |
|---------------------------------|----------------|--------------|----------------|
| Utility Fund - Non-Departmental | \$ 3,896,034 | \$ 2,430,000 | \$ 6,326,034 |
| General Fund - Non-Departmental | \$ 6,934,143 | \$ 246,000 | \$ 7,180,143 |

ARTICLE II

| REVENUES | Current Budget | Change | Revised Budget |
|--|----------------|--------------|----------------|
| Utility Fund - Appropriated Fund Balance | \$ 4,316,345 | \$ 450,000 | \$ 4,766,345 |
| Utility Fund - All Other Revenues | \$ 623,075 | \$ 1,980,000 | \$ 2,603,075 |
| General Fund - Appropriated Fund Balance | \$ 6,131,420 | \$ 246,000 | \$ 6,377,420 |

This the 5th day of June, 2023.

A Public Hearing was held on a request from 3S Investments, LLC for approval to rezone the +/- 1.99-acre parcel addressed 1301 S. Third Street, First Source Equipment Rental, from R-20 to B-2. Ms. Ownbey gave an overview of the request. The property is located within the Mebane City Limits in Alamance County and meets the dimensional standards of the B-2 Zoning District. The surrounding zoning in the area includes B-2, General Business District, and R-20, Residential District. Surrounding land uses include a funeral home, equipment rental, and single-family residential. The subject property is located in the Secondary Growth Area. The proposed rezoning is consistent with the guidance provided within *Mebane By Design*, the City's Comprehensive Land Development Plan. The proposed rezoning will be a continuance of the B-2 zoning fronting this portion of S. Third St, which dead ends at the new bypass.

Chad Huffines, PE with Leads Group PA, project engineer, spoke on behalf of the applicant for the rezoning request. Mr. Huffine said in addition to what Ms. Ownbey presented, 3S Investments, LLC is the property owner and First Source Equipment Rental is adjacent to the subject property and is looking to expand their business. He stated should Council approve the rezoning request; he will be presenting a request for a Special Use Permit next.

No one from the public spoke concerning the request. Mr. Ewing made a motion, seconded by Mr. Bradley, to close the public hearing. The motion carried unanimously. Mr. White made a motion, seconded by Ms. Burkholder, to approve the B-2 zoning as presented, along with a motion to find that the application is consistent with the objectives and goals in the City's 2017 Comprehensive Land Development Plan *Mebane By Design*. Specifically, the request is for a property within the City's G-4 Secondary Growth Area and is generally commercial in nature. The motion carried unanimously.

A Quasi-judicial Public Hearing was held on a request from 3S Investments, LLC for approval for a Special Use Permit to allow the use of Equipment Rental & Leasing (with Outside Storage) to be established at the +/- 1.99-acre parcel located at 1301 S. Third Street.

Mr. Brown requested that each Council Member enter into the record a statement of whether they have had any discussion with anyone other than staff related to this matter and that their decision would be based on evidence presented at this quasi-judicial public hearing. Each Council Member stated that they have not had discussions with anyone other than staff and no decision has been made and any decisions made will be based on the evidence to be presented.

While Council Members gave their statements, Clerk Shaw swore in the following:

Ashley Ownbey, City of Mebane Development Director
Chad Huffines, Project Engineer, PE with Leads Group PA
Franz Holt, City of Mebane Engineer
Fred Masi, Mebane resident, 208 Redberry Court, Mebane
Glenn Patterson, Real Estate Appraiser with Patterson Appraisal Co, LLC
Chuck Smith, City of Mebane Public Works Director
Preston Mitchell, City of Mebane Assistant City Manager

Ms. Ownbey gave an overview of the request. She stated that the property has now been rezoned per Council previous action. This use would be an expansion of the existing business, First Source Equipment Rental, located on the adjacent parcel to the west at 1307 S. Third Street. Use of the property is required to adhere to development standards specified in Section 4-7.7 (D) of the Mebane Unified Development Ordinance (UDO) and to the improvements shown on the site plan. Specific development standards are as follows:

- Use Separation
- Security Fencing
- Landscape Screening
- Vehicular Access

Also, as part of the quasi-judicial public hearing the applicant is required to present evidence meeting Special Use Permit criteria as specified in the City of Mebane's UDO as follows:

- The development will not injure the public health or safety

- The development will not injure property values
- The development will be in harmony with the area
- The development will be in conformity with the City's long-range plans

Ms. Ownbey stated that the property in question that has been rezoned and is now being considered for a special use permit has limited frontage on S. Third Street, so the applicant is proposing a driveway that comes on a parcel which is also owned by 3s Investments and zoned B-2. At the time the site plan was submitted to the Technical Review Committee, the City did not require a sidewalk as S. Third Street dead ends to the bypass and its controlled access so there's fencing preventing any type of connection to the sidewalk on NC Hwy 119. Since that review, there has been evidence provided to the City that individuals are jumping the fence in order to walk to and from residential uses on S. Third Street. Primarily, to the Food Lion that's on S. Fifth Street which led to a conversation between staff and the North Carolina Department of Transportation. Staff was surprised to find that NCDOT is open to providing some access to the sidewalk on NC Hwy 119. So NCDOT is proposing to construct a sidewalk but they still have some research to do before a plan is finalized. As such, staff is requesting that a condition be carried with the special use permit for the sidewalk gap which is on the property where the applicant's driveway will connect to S. Third Street. This would address a gap in the City's sidewalk network and once the sidewalk is installed the City could also look into installing crosswalks.

There was brief discussion between Council and staff regarding NCDOT's potential proposal to provide access to and construction of that portion of sidewalk.

Mr. Huffines presented hardcopy paper handouts to the Council which stated the evidentiary four findings of fact as follows:

1. Will not materially endanger the public health or safety:

The findings that are necessary to support this special use permit request consider issues to promoting the public's health and safety and general welfare. The proposed improvements to this site and specific additions will be designed in accordance with driveway connection standards set forth by the NCDOT and the City of Mebane. Specific driveway items and connections are proposed to create an accessible driveway connection to the existing street in compliance with technical criteria set forth by these regulatory agencies.

2. Will not substantially injure the value of adjoining or abutting property:

The project as proposed will be designed and constructed in accordance with the City of Mebane required perimeter landscaping considerations included. In addition to those requirements, the property owner will increase landscaped buffer widths, provide additional screening, and maintain a neat appearing area. Specific to this location within the City of Mebane, any improvement elevating the value of this site. Adequate separation between adjacent uses and buffers are provided.

Based on our past experiences with similar projects, it is not anticipated that property values will be affected by this project.

3. Will be in harmony with the area in which it is to be located:

The project as proposed will be in harmony with the surrounding uses and vicinity. The property will be adjacent to the existing First Source Rental operation which has been in existence since the site was vacated by Mebane Tire. Property across the street is developed as a funeral home and the property adjacent on the remaining two sides are wooded residential uses. This additional outdoor storage area will be properly screened, buffered and beautified with landscape plantings to enhance the exterior appearance. The existing First Source Rental currently provides services to local contractors and homeowners alike. They provide rental equipment and supplies needed for construction and maintenance as well as improvement projects to the Mebane and greater Triad/Triangle areas. Day to day operations on the property will take place within the fences area and will likely behave in a similar fashion as the vicinity currently experiences.

4. Will be in general conformity with the land use plan or other plans and policies officially adopted by the City Council.

Based on a collective review by our firm and the City of Mebane staff, the proposed use will be in conformity with the long-range plan for the area.

Mr. Huffines read aloud the first finding of fact. Mr. Patterson provided testimony based on his professional opinion as a real estate appraiser, this proposed use will not have an effect on the value of surrounding properties.

Mr. Huffines continued his presentation, reading aloud the third and fourth findings of fact.

Mr. Bradley asked for a description of the buffering. Mr. Huffines said on the south side of the project, there is a 50-foot requirement, there will actually be a 51-foot buffer. On the eastern side, there is a 50-foot requirement, there will actually be a 90-foot buffer, existing vegetation and plantings. There will also be plantings along the streetscape.

Ms. Brown explained that the Council could put a conditional approval on the Special Use Permit request as related to the sidewalk gap previously mentioned by Ms. Ownbey.

No one from the public spoke concerning the request. Mr. Bradley made a motion, seconded by Ms. Hadley, to close the public hearing. The motion carried unanimously. Mr. Bradley made a motion, seconded by Ms. Burkholder, to approve the Special Use Permit as presented with the condition that the developer will provide the sidewalk between Foust Road and the edge of the existing sidewalk in front of the funeral homes with the understanding that the City will provide the crosswalks, along with a motion to find that the request is both reasonable and in the public interest because it has been found that the request:

- a. Will not materially endanger the public health or safety;
- b. Will not substantially injure the value of adjoining or abutting property;
- c. Will be in harmony with the area in which it is located; and
- d. Will be in conformity with the land development plan or other plans officially adopted by the City Council.

The motion carried unanimously.

A Public Hearing was held on a request from Hendon Tiller Mebane 3.0, LLC to adopt an ordinance to extend the corporate limits. Mr. Brown presented the request. He stated that this is a voluntary contiguous annexation of +/- 6.19 acres located on the corner of Wilson Road and Forest Oaks Lane in Alamance County. A Tractor Supply Store is planned for this property. At last month's meeting, the Council accepted the annexation petition and the certificate of sufficiency. No one from the public spoke concerning the request. Mr. White made a motion, seconded by Mr. Bradley, to close the public hearing. Mr. White made a motion, seconded by Mr. Ewing, to adopt the ordinance to extend the corporate limits to include the +/- 6.19 acres. The motion carried unanimously.

A Public Hearing was held on a request to adopt a Street Closing Order- Douglas Street. Mr. Brown presented the request. He explained that the request is from two (2) applicants, Three S Investments, LLC and Marie H. Ray Revocable Trust, the only two (2) contiguous property owners on Douglas Street, which is a previously platted but unopened street, shown on a plat recorded in Plat Book 5, Page 31 of the Alamance County Registry, shown as twenty-five feet (25') in width. Mr. Brown stated that the Public Hearing Notice/Resolution of Intent was properly advertised at the property and in the Mebane Enterprise.

No one from the public spoke concerning the request. Mr. Bradley made a motion, seconded by Ms. Burkholder, to close the public hearing. The motion carried unanimously. Mr. White made a motion, seconded Mr. Bradley, to adopt the Street Closing Order- Douglas Street as presented. The motion carried unanimously.

RESOLUTION AND ORDER PURSUANT TO N.C.G.S. §160A-299 TO PERMANENTLY CLOSE DOUGLAS STREET

WHEREAS, pursuant to N.C.G.S. §160A-299, the City Council of the City of Mebane, North Carolina held a public hearing on June 5, 2023 to consider closing Douglas Street; and

WHEREAS, after full consideration of these matters, the City Council of the City of Mebane, North Carolina does hereby deem it to be in the best interest of the City of Mebane to close Douglas Street;

NOW, THEREFORE, be it resolved by the City Council of the City of Mebane as follows:

Section 1. That the City Council, after full consideration of this matter at the public hearing held on June 5, 2023, and upon the terms and conditions hereinafter set forth, does hereby order the closing of that portion of Douglas Street which is more particularly described as follows:

That certain tract or parcel of land located in Melville Township, Alamance County, North Carolina, adjoining the eastern margin of the 25 foot public right of way of Terrell Street as per Plat Book 5, at Page 31 of the Alamance County Registry, Lots 66, 94, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124 and 125 of the Hawfield Subdivision, a plat of which is recorded in Plat Book 5, at Page 31 of the Alamance County Registry, and the western margin of the 25 foot public right of way of Ward Street, as per plat recorded in Plat Book 5, at page 31 of the Alamance County Registry, and being more particularly described as follows:

BEGINNING at a $\frac{3}{4}$ inch existing iron pipe located at the intersection of the eastern margin of the 25 foot public right of way of Terrell Street with the northern margin of the 25 foot public right of way of Douglas Street, at the southwesternmost corner of the aforesaid Lot 66; running thence from said point of beginning with the southern boundary line of the aforesaid Lot 66, North 78 degrees 01 minute 29 seconds East 525.54 feet to a $\frac{1}{2}$ inch bent existing iron pipe located at the southeasternmost corner of the aforesaid Lot 66 and the southwesternmost corner of the aforesaid Lot 94; running thence with the southern boundary line of the aforesaid Lot 94, North 77 degrees 52 minutes 39 seconds East 324.94 feet to a 1 $\frac{1}{2}$ inch existing iron pipe located at the intersection of the northern margin of the 25 foot right of way of Douglas Street with the western margin of the 25 foot public right of way of Ward Street and at the southeasternmost corner of the aforesaid Lot 94; running thence with the western margin of the 25 foot public right of way of Ward Street, South 12 degrees 00 minutes 00 seconds East 25.92 feet to a calculated point located in the southern margin of the 25 foot public right of way of Douglas Street and in the northern boundary line of the aforesaid Lot 108; running thence with the northern boundary line of the aforesaid Lot 108, and continuing with the northern boundary lines of the aforesaid Lots 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124 & 125, South 78 degrees 01 minutes 10 seconds West 855.32 feet to a calculated point located in the northern boundary line of the aforesaid Lot 125 and in the eastern margin of the 25 foot public right of way of Terrell Street; running thence with the eastern margin of the 25 foot public right of way of Terrell Street, North 01 degrees 05 minutes 19 seconds West 25.63 feet to the point and place of BEGINNING, and containing 0.50 acres, more or less, and being the 25 foot public right of way of Douglas Street as shown on that certain plat of the Hawfield Subdivision, prepared by R. G. Trogdon, Engineer, dated April 1947, which plat is duly recorded in Plat Book 5, at Page 31 of the Alamance County Registry, and to which plat reference is hereby made for a more complete description.

The above description was taken from a plat of survey prepared by Boswell Surveyors, Inc., J. Eric Miles, Professional Land Surveyor, dated April 5, 2023, entitled "Survey of the Right of Way of Douglas Street for Street Closure," Job No. 23-109-200, which plat is duly recorded in Plat Book _____, at Page _____ of the Alamance County Registry.

Section 2.

The City Council of the City of Mebane adopted a resolution on the 1st day of May, 2023 thereby declaring its intent to permanently close Douglas Street as is more particularly described in Section 1 hereof,

Section 3. That notice of said public hearing was published on May 10, 17, 24 & 31, 2023.

Section 4. That a copy of this Resolution and Order shall be mailed to all owners of the property abutting said unnamed street as more particularly described above.

Section 5. That a notice of this closing was prominently displayed and posted in at least two places along Douglas Street.

Section 6. That the North Carolina Department of Transportation has not accepted any portion of Douglas Street for maintenance.

Section 7. That after full consideration of these matters at said public hearing, it appears to the satisfaction of the City Council of the City of Mebane that the closing of Douglas Street will be deprived of reasonable means of ingress and egress to his property.

Section 8. That this Resolution and Order closing Douglas Street shall be made effective as of the adoption of this Resolution and Order.

Section 9. That a copy of this Resolution and Order shall be filed in the office of the Register of Deeds for Alamance County, North Carolina.

Section 10. That this resolution shall take effect upon passage.

This the 5th day of June, 2023.

Ed Hooks, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk

(Corporate Seal)

A Public Hearing was held on a request to amend portions of Article 6 of the Unified Development Ordinance (UDO). Consideration of the amendments was designed for two City Council meetings. The initial presentation to the Council occurred at the May 1, 2023, meeting. The proposed amendments are the second phase of updates to the UDO and focus on minimum parking standards and the sign ordinance. Green Heron Consulting, LLC, assisted staff in updating the sign ordinance. Ms. Ownbey presented the request via the attached PowerPoint. She explained that at the May 1, 2023, meeting, the Council requested the following revisions:

- Minor change to the definition of “mural.”
- No change to the current parking standard for two-bedroom apartments.
- Revision to only allow freestanding pole signs within 400’ of the interstate.

Staff incorporated the requested changes. Also, in research and review of the proposed changes, staff found an existing sign type had mistakenly been omitted with the original amendments. Standards for “Professional or Occupational Signs or Name Plates” have been added to the table with sign types. Additionally, definitions have been added for “Freestanding or Pole Sign” and “Ground or Monument Sign” and language adjusted regarding signs allowed prior to elections. Ms. Ownbey stated that staff is requesting to continue discussion of sign standards for signs on property within 400 feet of the interstate at a future meeting.

Jack Pendziwater, 1609 St. Andrews Drive, Mebane and owner of Poolside of the Carolinas, said he arrived to the meeting late but his concern was with the ordinance addressing the percentage of allowable space for window signage. Ms. Ownbey addressed his concern, stating that allowance is for up to 30% and if you have 10% or less you would not be required to pull a permit, seasonal art is not included and is allowable. He also shared concerns with existing signs that will not be in compliance with the new ordinances. Ms. Ownbey stated that businesses with existing signage will not be required to comply unless there were to install a new sign. Existing signs are grandfathered in.

Mr. Ewing made a motion, seconded by Mr. White, to close the public hearing. The motion carried unanimously. Mr. Ewing made a motion, seconded by Mr. White, to approve the amendments to

the City of Mebane Unified Development Ordinance as presented with the exception of standards for freestanding signs within 400' of the interstate or interchanges. The amendments are consistent with the objectives and policies for growth and development in the Comprehensive Land Development Plan *Mebane By Design*, along with the adjusted verbiage to include the word "deviation". The motion carried unanimously.

A Public Hearing was held on a request for adoption of the FY 2023-24 Budget Ordinance and 2024-2028 Capital Improvement Plan (CIP). Mr. Rollins presented the budget via the attached PowerPoint.

There was discussion among staff and Council regarding the proposed Capital Reserve Fund, expenses associated with a building a police station vs a fire station, the revenue neutral process, the proposed water and sewer rate increase and all of the upcoming capital projects that are not included in the budget ordinance but are included in the CIP.

Mayor Hooks called for a break at 7:29 p.m. Mayor Hooks called the meeting back to order at 7:39 p.m.

There was further discussion regarding the proposed Capital Reserve Fund.

Fred Masi, 208 Redberry Court, Mebane, pleaded with the Council to hold back as much as possible because people, especially senior citizens, are hurting financially.

John Pendziwater, 1609 St. Andrews Drive, Mebane, shared concerns with Mebane's fast growth and urged Council to scale back the projects.

Stuart Smith, 811 S. Third Street, Mebane, stated that he does not envy the decisions that Council has to make and stated his support of Council approving the City Manager's recommended budget and paying City employees commensurate with what they are worth.

Tom Boney, Owner/Editor of Alamance News, requested clarification on a policy discussed earlier that was adopted by a previous Council which requires the City to maintain 50% of the budget in Fund Balance, yet another statement by Mr. Rollins earlier stated Council cannot be bound by policies adopted by previous Councils. Mayor Hooks stated that is correct, Council can change the policy to reduce or increase the percentage. Mr. Boney said, his more substantive question is this 50% was stated minimum that the Council has decided to be its Benchmark, what is the actual amount that exists currently in the fund balance as a percentage of the budget?

Finance Director Daphna Schwartz said because the fund balance is calculated as of June 30 every year, she can only report a number based on last year's fund balance and that number would not reflect what it would be if the books were closed today. She said she could get that number to Mr. Boney.

Colin Cannell, 717 S. Fifth Street, Mebane, shared his opinion and comments regarding the budget. He said a budget is a plan for spending. We choose what to spend money on and as a government with power of taxation Council has some leeway to choose how much money is available to spend but the spending comes first and the spending is important because the spending is how you define what Mebane does. It is how you define what you want Mebane to do for its citizens.

There was considerable discussion among Council and staff about the assessment process and how staff comes to the revenue neutral percentage.

Mr. Bradley made a motion, seconded by Ms. Burkholder, to close the public hearing. The motion carried unanimously.

Mayor Hooks and each of the Council members shared comments regarding the difficulty of setting this year's budget, particularly due to the unprecedented revaluation by Alamance County and how the citizens and the City will be affected.

Mr. White made a motion, seconded by Mr. Ewing, to approve the tax rate at 37 cents instead of the proposed 38 cent with 2 cents for the restricted Capital Reserve Fund, along with approval of the Fee Schedule, the Position Classification and Pay Plan and the CIP. Mayor Hooks called for a vote. The motion passed with a 3-2 vote. Ayes- Mr. White, Mr. Ewing and Ms. Hadley. Nays- Mr. Bradley and Ms. Burkholder.

BE IT ORDAINED BY the City Council of Mebane, North Carolina:

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the city government and its activities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore established for the City:

| | |
|--|----------------------|
| City Council | \$ 71,870 |
| Administration | 1,426,869 |
| Finance | 748,626 |
| Information Technology | 1,663,401 |
| Police | 6,878,989 |
| Fire | 4,971,465 |
| Economic Development | 900,214 |
| Planning | 597,343 |
| Inspections | 961,283 |
| Engineering | 445,500 |
| Public Works | 3,304,438 |
| Public Facilities | 1,271,578 |
| Sanitation | 2,178,668 |
| Recreation & Parks | 3,093,729 |
| Non-Departmental | 4,310,684 |
| Total General Fund Appropriations | \$ 32,824,657 |

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2023, and ending June 30, 2024:

| | |
|------------------------------------|----------------------|
| Current Year Property Tax | \$ 14,741,764 |
| Sales Tax | 7,107,700 |
| Utility Franchise Tax | 1,124,100 |
| Other Property Tax | 838,119 |
| Fire District Tax | 550,801 |
| Powell Bill Allocation | 503,000 |
| Sanitation User Fees | 575,508 |
| Permits and Fees | 1,919,910 |
| Proceeds of Debt | 1,270,062 |
| All Other Revenues | 1,396,230 |
| Appropriated Fund Balance | 2,797,463 |
| Total General Fund Revenues | \$ 32,824,657 |

Section 3. There is hereby levied a tax at the rate of thirty-seven cents (\$0.37) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2023, for the purpose of raising the revenue listed "Current Year's Property Taxes" in the General Fund in Section 2 of this ordinance.

This rate is based on a valuation of property for the purposes of taxation of \$4,218,464,103 and an estimated rate of collection of 99.6%. The estimated rate of collection is based on the fiscal year 2021-22 collection rate.

Section 4. The following amounts are hereby appropriated in the Utility Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore approved for the City:

| | |
|--|----------------------|
| Administration and Metering | \$ 1,613,720 |
| Utilities | 5,854,953 |
| Engineering | 285,000 |
| Waste Water Treatment Plant | 2,633,578 |
| Non-Departmental | 1,503,768 |
| Total Utility Fund Appropriations | \$ 11,891,019 |

Section 5. It is estimated that the following revenues will be available in the Utility Fund for the fiscal year beginning July 1, 2023, and ending June 30, 2024:

| | |
|------------------------------------|----------------------|
| Water Utility Fees | \$ 4,443,632 |
| Sewer Utility Fees | 4,400,562 |
| All Other Revenues | 797,900 |
| Appropriated Fund Balance | 2,248,925 |
| Total Utility Fund Revenues | \$ 11,891,019 |

Section 6. The following amounts are hereby appropriated in the Utility Capital Reserve Fund to preserve system development fees for appropriation to capital and infrastructure purposes for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

| | |
|---|---------------------|
| Reserved for Capital Projects | 1,673,000 |
| Total Utility Capital Reserve Appropriations | \$ 1,673,000 |

Section 7. It is estimated that the following revenues will be available in the Utility Capital Reserve Fund for the fiscal year beginning July 1, 2023 and ending June 30, 2024:

| | |
|--|---------------------|
| System Development Fees | \$ 1,670,000 |
| Other Revenues | 3,000 |
| Total Utility Capital Reserve Fund Revenues | \$ 1,673,000 |

Section 8. The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. Except as noted for Utility Capital Reserve Fund below, they may transfer amounts between line item expenditures and departments within a fund without limitation and without a report being required.
- b. They may not transfer any amounts between funds, except as approved by the Governing Board through a Budget Ordinance amendment.
- c. City Council approval by budget ordinance amendment is required to amend appropriations in the Utility Capital Reserve Fund.

Section 9: The City of Mebane Fee Schedule, herein referenced, for the fiscal year beginning July 1, 2023, and ending June 30, 2024, is hereby adopted for this fiscal year.

Section 10. The accompanying Position and Classification Plan, herein referenced, for the fiscal year beginning July 1, 2023, and ending June 30, 2024, is hereby adopted for this fiscal year and shall be administered in accordance with the City of Mebane Personnel Policy Principles as adopted August 4, 2014.

Section 11: Operating funds encumbered by the City as of June 30, 2023, or otherwise designated, are hereby re-appropriated for this fiscal year.

Section 12: Copies of this Budget Ordinance shall be furnished to the Clerk, the City Council, the Budget Officer, and Finance Officer for their use in directing the disbursement of funds.

Adopted this 5th day of June 2023.

Mr. Rollins thanked all the City staff and the Council for all the hard work on this years budget. Mayor Hooks echoed his comments.

Mr. Brown presented a request for an amendment to the Transload Agreement with Alamance County and Samet Corporation and the NCIC Railroad, Inc. approved by Council at its May meeting. Since that approval, the Samet Corporation and NCIC Railroad, Inc. have requested changes. The requested modifications or changes more appropriately reflect the relationship of Samet Corporation and NCIC Railroad, Inc.: Samet as the general contractor and NCIC Railroad as the owner of the real property and the physical improvements, being the transload facility. The financial impact is the same with the City granting the State of North Carolina grant of \$2.6 million dollars currently held by the City and the City and County paying \$300, 843 each. Staff recommends approval of the revised agreement. Mr. Ewing made a motion, seconded by Mr. White, to approve the revised Transload Agreement as presented. The motion carried unanimously.

Mr. Brown presented a request for the City’s acceptance of excess NCDOT land. He explained as a part of the road improvements for the Highway 119 relocation which included other nearby connecting roads, including Corregidor Drive, NCDOT acquired parcels necessary for the extension

and improvement of Corregidor Drive. A .15-acre remnant of one of the properties is Alamance County Tax Parcel number 172985, having a tax value of \$15,860. The property has a triangular shape, is close to the City's Public Works and WWRF. The parcel's eastern full frontage is on Corregidor Drive and the full western frontage is on Water Works Drive. Staff believes the tax value to be the approximate fair market value based upon the other recent and nearby purchases of property by the City. No appraisal has been obtained. Mr. White made a motion, seconded by Ms. Burkholder, for the City to accept the deed from the NCDOT for the .15 acres, identified as Alamance County Tax Parcel Number 172985, at no cost to the City. The motion carried unanimously.

Ms. Ownbey stated that in the current fiscal year budget for 2022 – 2023, Council allocated \$50,000 for Downtown Improvements as a matching funds grant program that will reimburse an individual up to 50% of qualifying expenses for exterior improvements to a Downtown property in one of four categories:

- Façade improvements;
- Outdoor seating;
- Exterior artwork; and
- Preservation of historic architecture and buildings.

No grant funds have been awarded this year. The City has received one application for consideration: Martinho's Bakery, 106 W. Clay Street for \$6,297.28 to replace side and rear windows. Mr. Bradley made a motion, seconded by Ms. Burkholder, to award \$6,297.28 in Downtown Exterior Improvement Grants to the applicant for the project described in the qualifying application. The motion carried unanimously.

Mr. Ownbey presented a request for appointments of Planning Board members. She explained that the City of Mebane Planning Board has three openings for appointment due to expiring terms. The terms of the seats will expire June 2027. The opportunity to apply for the positions were announced at the April and May Planning Board meetings, posted on the City's social media accounts during April and May, and legally advertised in May 2023. Nine applications were received for the three open positions. Eight of the applicants reside in the City limits and are eligible residents. One applicant was ineligible due to residency in the Mebane extraterritorial jurisdiction (ETJ). Staff recommended that the Council appoint three of the eight qualified applicants to the City seats on the Planning Board, including the appointments of Mr. Chapman and Ms. Semonite to the Planning Board, both of whom are seeking reappointment. Mr. Ewing made a motion, seconded by Ms. Burkholder, to reappoint William Chapman and Susan Semonite and appoint Colin Cannell to the City of Mebane Planning Board, recognizing their qualifications and experience relevant to serving the planning and land use needs of the City of Mebane. The motion carried unanimously.

Ms. Hunter presented a request for appointments to the Racial Equity Advisory Committee (REAC). She explained that the REAC has three openings for appointments. The seats will be vacant on June 30 due to the two-year terms of Daniel Velasquez, Erica Bluford, and Stuart Smith ending. The REAC also requests a fourth seat be filled, currently occupied by Daniel Troxler, serving a four-year term. The Committee recommends (4 in favor, 1 abstention) the removal of Daniel Troxler from his seat due to not meeting the established committee attendance requirements. The City advertised the expiring seats from May 1- May 30. No applications were received. The REAC requests the Council extend the appointments of current members Daniel Velasquez and Erica Bluford by one year for continuity of the committee. The other seat(s) will be readvertised. Mr. Bradley made a motion, seconded by Mr. Ewing, to extend the appointments of Daniel Velasquez and Erica Bluford by one year and to remove Daniel Troxler. The motion carried unanimously.

Mayor Hooks commended Stuart Smith for his input on the REAC. He received a round of applause from the Council, staff and audience.

There being no further business, the meeting adjourned at 9:11 p.m.

ATTEST:

Stephanie W. Shaw, City Clerk

Ed Hooks, Mayor



Ashley Ownbey, Development Director

Public Hearing- Mebane UDO Amendments, Phase 2:
Sections 6-5 and 6-7



Project Schedule

Public Input:

December 2021: Open House & Information Session

January – February 2022: Online surveys

Phase 1:

May 2022: Recommendation by Planning Board

June – July 2022: Mebane City Council Action

Phase 2:

March 2023: Re-engage with an open house; First presentation to Planning Board

April 2023: Recommendation by Planning Board

May 2023: First presentation to City Council

June 2023: Requested action by City Council on all items except for standards for signs within 400' of the interstate

Phase 3:

To follow Phase 2 with largely minor revisions



Phase 2 UDO Amendments

Parking, Stacking, and Loading



Signs





Section 6-5: Parking, Stacking, and Loading



Revisions since May meeting

Staff has removed the proposed change to the minimum required parking for two-bedroom apartments. No change is proposed to the City's current standard of 1.75 spaces per unit.

No other revisions occurred between the May and June City Council meetings.





Section 6-7: Signs



Revisions since May meeting

- New definitions for “Freestanding or Pole Sign” and “Ground or Monument Sign”
- Revised definition for “Mural”
- Edited language for temporary signs allowed prior to elections
- New note for “Ground or Monument Sign” and “Freestanding or Pole Sign”
- New sign height, sign area, and zoning districts for smaller Freestanding or Pole Signs
- Additional sign type
- Removal of incentive from Wall Sign standards



Definitions

Freestanding or Pole Sign:

Any sign with a sign face mounted on one or more poles in a manner where air or open space exists between the bottom of the sign face area and the surface of the ground or where the sign support structure is less than 75% as wide as the sign face area.

Ground or Monument Sign:

Any sign, other than a pole sign, that is attached directly to the ground by means of a supporting system comprised of a solid pedestal or side decorative bracing system. Ground signs are configured so that the base of the sign support structure is at least 75% as wide as the sign face area.

Mural:

Any hand-produced picture, scene, diagram, work, or visual art painted on any exterior wall of a building, fence, or wall, which does not primarily serve as advertising, and is primarily intended to serve as a work of public art. The name of a business, logo, or other identifying information included with a mural or work of art is considered a sign, must meet the requirements for wall signs, and requires a permit.



Exempt, Temporary Signs

Revision: “signs with a noncommercial message” is proposed to replace original language “signs serving a political purpose”

Multiple temporary signs with a noncommercial message and no larger than nine (9) square feet in area, may be erected by a property owner on their property for a ninety (90) day period prior to a primary or general election involving candidates for federal, state, or local offices. During this time, a property owner is also allowed one larger sign, not to exceed thirty-two (32) square feet. These signs shall be removed within ten (10) days following the election .



Sign Standards by Sign Type

New Note for “Ground or Monument Sign” and “Freestanding or Pole Sign”:

“The City Council may permit increases in sign height and sign area as conditions of approval for rezoning and special use requests.”

Eliminated Note for “Wall Sign”:

“Two additional wall signs, conforming with the allowable sign area established for secondary signs, will be permitted on a structure if a property owner elects to install a ground sign instead of a freestanding pole sign or to replace an existing freestanding pole sign with a ground sign.”



Sign Standards: Freestanding or Pole



Revised Standards:

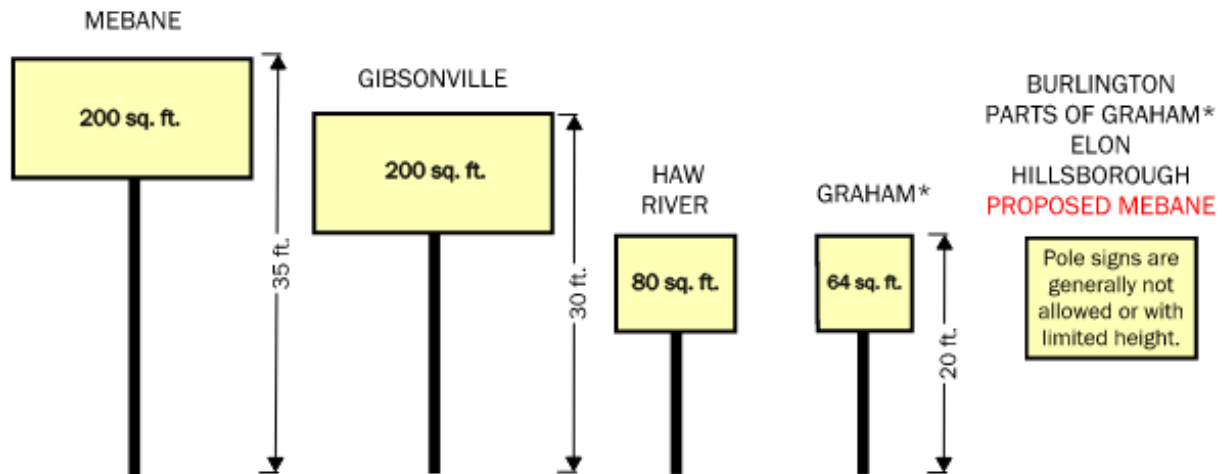
- Permitted in all nonresidential zoning districts, provided the property has public street frontage and off-street parking.
- Illumination Method: Signs with a height of six feet or less shall only be externally illuminated.
- Maximum Sign Area: 15 square feet
- Maximum Sign Height: 6 feet
- New Note:
“Pole signs not located within 400 feet of the interstate or interchanges must be supported by two posts or follow the standards of professional or occupational signs.”

Request to continue discussion of sign standards for signs on property within 400 feet of the interstate to July meeting.



Sign Standards: Freestanding or Pole

STANDARDS FOR GENERAL BUSINESS, LIGHT MANUFACTURING, HEAVY MANUFACTURING EQUIVALENT ZONING

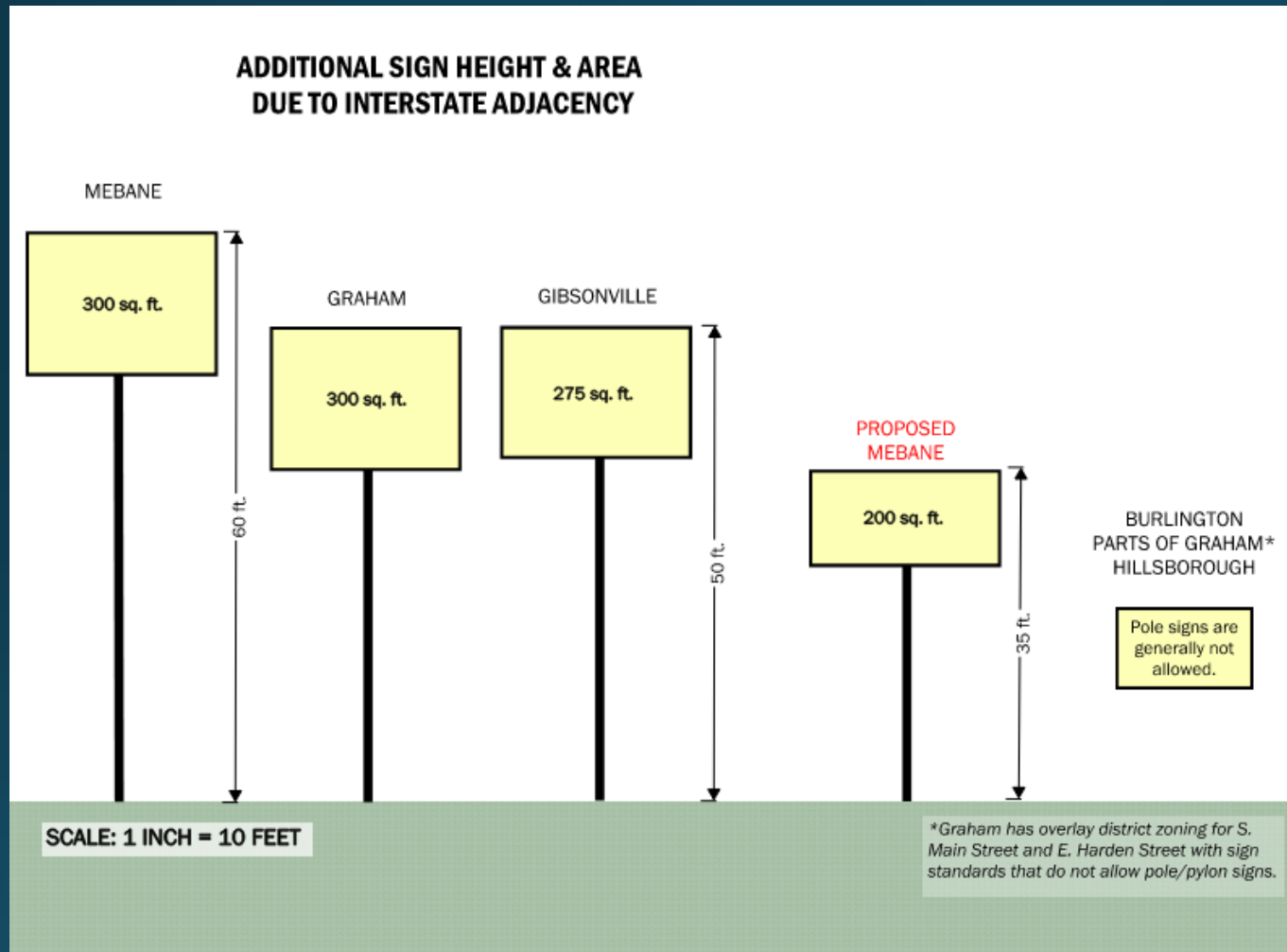


SCALE: 1 INCH = 10 FEET

*Graham has overlay district zoning for S. Main Street and E. Harden Street with sign standards that do not allow pole/pylon signs.



Sign Standards: Freestanding or Pole (Interstate)



Sign Standards: Professional or Occupational



This sign type was mistakenly omitted with the previously presented amendments.

No significant changes are proposed. The following standards have been added:

- No illumination is allowed.
- New Note: Professional or Occupational Signs may be mounted to a single post in the ground.





Budget Hearing

FISCAL YEAR 2023-2024

JUNE 5, 2023



ECONOMIC FACTORS

- Inflation – 12-month percentage change from April 2022 to April 2023 is 5.5% for the South Atlantic Region
- Supply chain issues
- Federal funding/small pool of contractors
- Rising cost of borrowing



FY23-24 BUDGET HIGHLIGHTS

| | | | |
|---------------------------|---------------------|----------------------------------|---------------------|
| General Fund Expenditures | \$33,244,817 | General Fund Revenues | \$33,244,817 |
| Utility Fund Expenditures | <u>\$11,891,019</u> | Utility Fund Revenues | <u>\$11,891,019</u> |
| Total Expenditures | \$45,135,836 | Total Revenues | \$45,135,836 |
| Utility Capital Reserve | \$1,673,000 | Utility Capital Reserve Revenues | \$1,673,000 |

| | | |
|--|--------|---|
| Cost of living increase | 6% | Garbage/Recycling – unchanged at \$8.00 per month per address |
| Health Insurance increase | 0.016% | |
| Retirement Rate increase | | Water Rates per 1,000 gallons – 6% increase Inside City \$7.56, Outside City \$15.12 |
| General | 0.75% | |
| Law Enforcement | 0.94% | |
| Property Tax Rate - \$0.38 per \$100 valuation | | Sewer Rates per 1,000 gallons – 6% increase Inside City \$8.12, Outside City \$16.24 |
| FY22-23 rate is \$0.47 | | |
| Revenue neutral rate is \$0.3421 | | |



General Fund
Recommended
Budget

FY23-24



GENERAL FUND EXPENDITURES

BY TYPE

BY DEPARTMENT

General Fund Expenditures by Type

General Fund Department Budgets

| Type | FY 2021-2022 Actual | FY 2022-2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
|--------------|---------------------|-----------------------------|---------------------------------|----------------|--------------------|
| Personnel | \$10,654,813 | \$14,034,974 | \$16,413,723 | 16.9% | \$2,378,749 |
| Operating | \$6,680,927 | \$12,370,614 | \$10,633,517 | (14.0%) | (\$1,737,097) |
| Capital | \$2,467,577 | \$4,018,046 | \$4,347,060 | 8.2% | \$329,014 |
| Debt Service | \$1,594,324 | \$1,807,707 | \$1,850,517 | 2.4% | \$42,810 |
| Total | \$21,397,641 | \$32,231,341 | \$33,244,817 | 3.1% | \$1,013,476 |

| Department | FY 2021-2022 Actual | FY 2022-2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
|----------------------|---------------------|-----------------------------|---------------------------------|----------------|--------------------|
| Council* | \$67,853 | \$88,237 | \$71,870 | (18.5%) | (\$16,367) |
| Administration | \$931,899 | \$1,249,653 | \$1,426,869 | 14.2% | \$177,216 |
| Finance | \$608,309 | \$706,471 | \$748,626 | 6.0% | \$42,155 |
| IT** | \$628,711 | \$1,059,288 | \$1,663,401 | 57.0% | \$604,113 |
| Economic Development | \$755,349 | \$1,169,421 | \$900,214 | (23.0%) | (\$269,207) |
| Police | \$4,715,161 | \$5,784,853 | \$6,878,989 | 18.9% | \$1,094,136 |
| Fire | \$3,104,123 | \$5,567,664 | \$4,971,465 | (10.7%) | (\$596,199) |
| Planning | \$452,133 | \$651,537 | \$597,343 | (8.3%) | (\$54,194) |
| Main Street Program* | \$65,195 | \$221,535 | \$0 | (100.0%) | (\$221,535) |
| Inspections | \$859,380 | \$878,139 | \$961,283 | 9.5% | \$83,144 |
| Engineering | \$451,488 | \$445,500 | \$445,500 | 0.0% | \$0 |
| Public Works | \$2,438,053 | \$3,813,553 | \$3,304,438 | (13.4%) | (\$509,115) |
| Public Facilities | \$594,765 | \$913,699 | \$1,271,578 | 39.2% | \$357,879 |
| Sanitation | \$1,482,621 | \$2,167,748 | \$2,178,668 | 0.5% | \$10,920 |
| Recreation and Parks | \$2,088,479 | \$2,668,847 | \$3,093,729 | 15.9% | \$424,882 |
| Non-Departmental | \$2,154,122 | \$4,845,197 | \$4,730,844 | (2.4%) | (\$114,353) |
| Total | \$21,397,641 | \$32,231,341 | \$33,244,817 | 3.1% | \$1,013,476 |


*Some or all of the budget was moved to Non-Departmental in FY23-24.

** All citywide IT expenditures were moved to the IT department.



PROPOSED TAX RATE

| | | |
|-------------------------------|-------------------------------------|---|
| Fire Station 4 \$5,000,000 | New Police Facility \$15,000,000 | Recreation & Parks project(s) \$15,000,000 |
|-------------------------------|-------------------------------------|---|

- \$0.38 per \$100 of assessed property valuation
-  \$0.01 cent of tax revenue = \$420,159
- \$0.03 cents restricted annually - \$1,260,477 (FY24)
- Restricted Capital Reserve Fund
- Limit future borrowing = cost savings

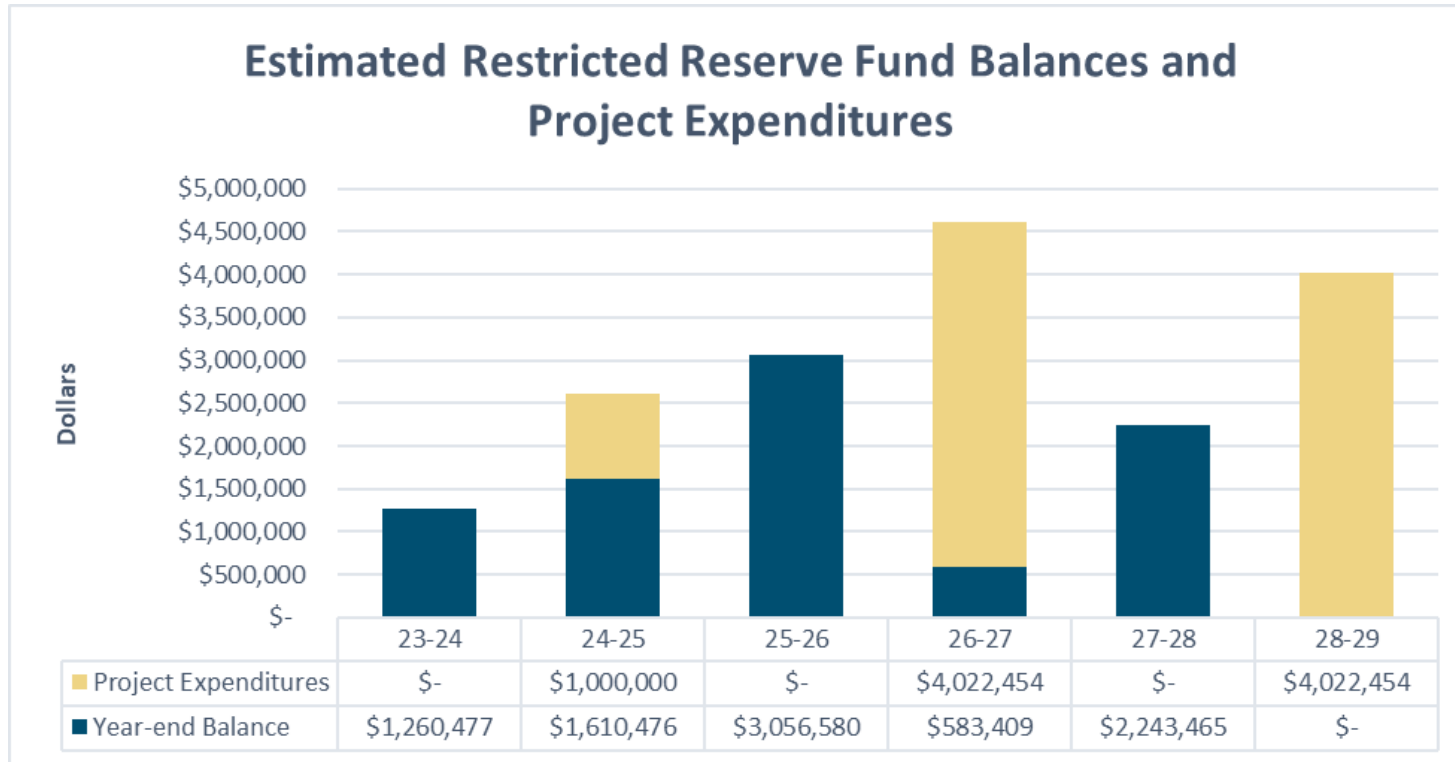


ESTIMATED RESTRICTED CAPITAL RESERVE REVENUE AND EXPENDITURES

Estimated Restricted Capital Reserve revenue per year based on the average growth rate of the previous five years:

- FY23-24 \$1,260,477
- FY24-25 \$1,349,999
- FY25-26 \$1,446,105
- FY26-27 \$1,549,283
- FY27-28 \$1,660,056
- FY28-29 \$1,778,988

Total \$9,044,908



| | | | | | |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|

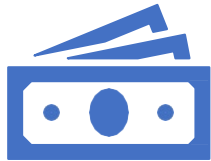


INTEREST COST SAVINGS

BORROWING ASSUMPTIONS



4% interest rate



15-year borrowing
term

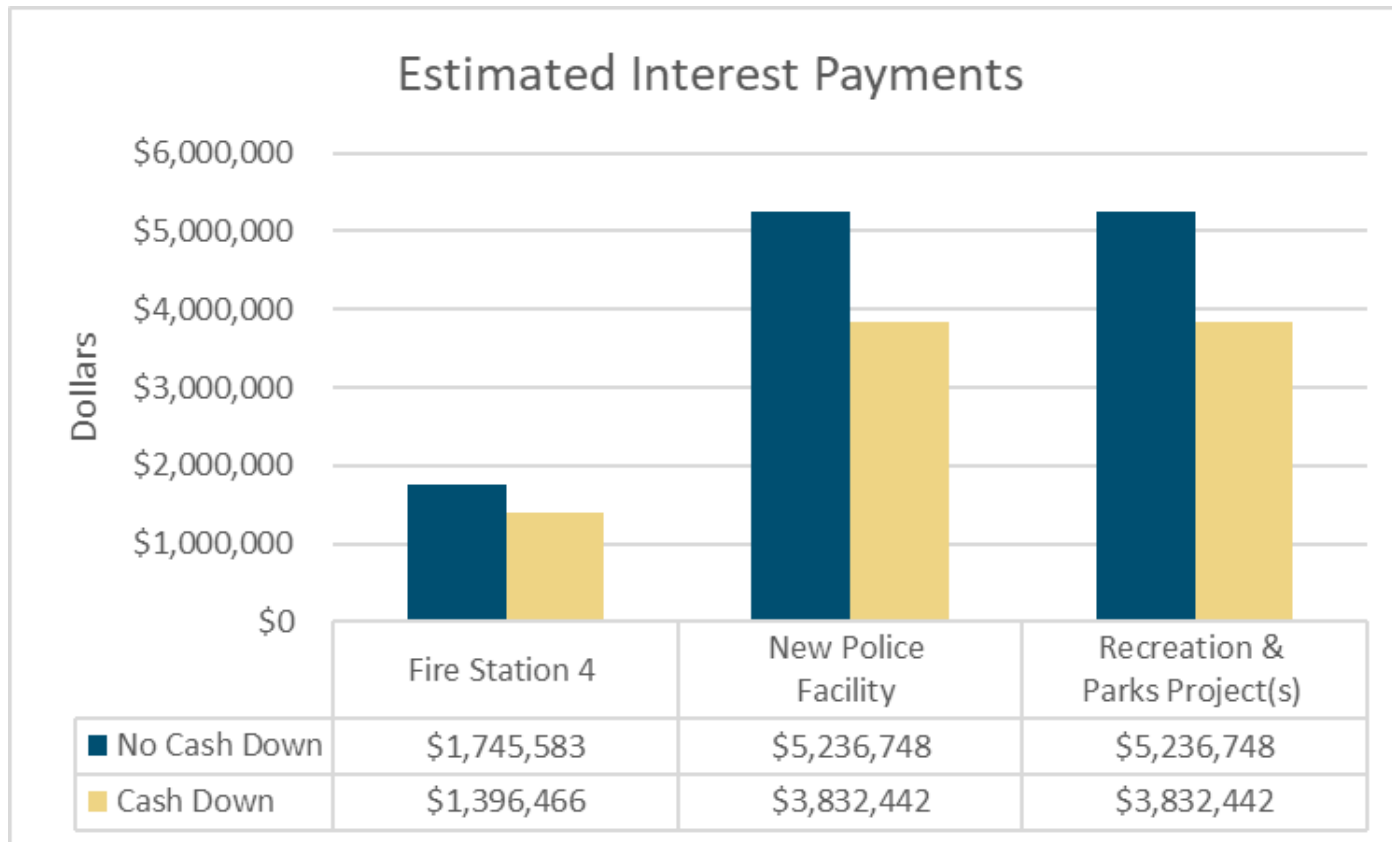
ESTIMATED TOTAL SAVINGS



\$3,157,727



ESTIMATED INTEREST PAYMENTS



Estimated interest payments for all 3 projects:

No cash down \$12,219,078

Cash down \$9,061,351

Savings \$3,157,727



POTENTIAL DEBT PAYMENT COVERAGE

- Close-out Restricted Capital Reserve Fund (approximately FY28-29)
- Open a Debt Service Fund for the three projects (approximately FY29-30)
- The Debt Service Fund could cover 100% of the debt for the three projects starting in FY33-34.

| Amount of Debt Service Fund Coverage |
|--------------------------------------|
| FY30-31 – 86% |
| FY31-32 – 92% |
| FY32-33 – 99% |
| FY33-34 - 100% |



FIRE DISTRICT TAX

Current tax rate

0.105 cents per \$100

Current revenue generated

\$495,998

Revenue neutral rate

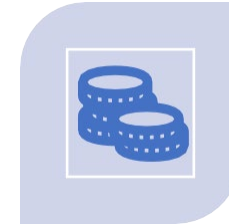
0.0673 cents per \$100

Revenue neutral tax generated

\$563,699



PROPOSED TAX RATE =
0.07 CENTS PER \$100



ESTIMATED TAX
REVENUE GENERATED =
\$558,231



NET TAX REVENUE
INCREASE = \$62,233

The Fire District Tax is set by the Alamance County Commissioners.



GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

| General Fund Revenues and Other Funding Sources | | | | | |
|---|-------------------------|---------------------------------------|---------------------------------------|-------------------|---------------------|
| | FY 2021- 2022 Actual | FY 2022- 2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
| Revenues | | | | | |
| Property taxes | \$12,631,940 | \$13,663,270 | \$16,550,844 | 21.1% | 2,887,574 |
| Sales taxes | \$5,781,791 | \$5,585,356 | \$7,107,700 | 27.3% | 1,522,344 |
| Privilege licenses | \$805 | \$1,000 | \$900 | (10.0%) | (100) |
| Unrestricted intergovernmental | \$1,901,684 | \$1,750,005 | \$1,822,100 | 4.1% | 72,095 |
| Restricted intergovernmental | \$1,231,498 | \$880,273 | \$891,450 | 1.3% | 11,177 |
| Permits & fees | \$1,388,813 | \$1,259,760 | \$1,919,910 | 52.4% | 660,150 |
| Sales & Services | \$701,267 | \$722,094 | \$816,388 | 13.1% | 94,294 |
| Investment earnings | \$9,809 | \$20,000 | \$20,000 | 0.0% | 0 |
| Miscellaneous | \$955,798 | \$53,000 | \$48,000 | (9.4%) | (5,000) |
| Total revenues | \$24,603,405 | \$23,934,758 | \$29,177,292 | 21.9% | 5,242,534 |
| Other financing sources | | | | | |
| Transfers in | \$566,851 | \$0 | \$0 | N/A | 0 |
| Transfers out | (\$129,423) | | | | |
| Debt proceeds | \$1,365,000 | \$2,466,006 | \$1,270,062 | (48.5%) | (1,195,944) |
| Appropriated Fund Balance | \$0 | \$5,830,577 | \$2,797,463 | (52.0%) | (3,033,114) |
| Total other financing sources | \$1,802,428 | \$8,296,583 | \$4,067,525 | (51.0%) | (4,229,058) |
| Total revenues & other financing sources | \$26,405,833 | \$32,231,341 | \$33,244,817 | 3.1% | 1,013,476 |



Utility Fund
Recommended
Budget

FY23-24



UTILITY FUND EXPENDITURES

BY TYPE

| Utility Fund Expenditures by Type | | | | | |
|-----------------------------------|------------------------|-----------------------------------|---------------------------------------|-------------------|----------------------|
| | FY 2021-2022 Actual | FY 2022-2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
| Personnel | \$2,434,184 | \$3,094,556 | \$3,752,757 | 21.3% | \$658,201 |
| Operating | \$3,223,240 | \$4,873,043 | \$5,069,014 | 4.0% | \$195,971 |
| Capital | \$1,702,527 | \$4,019,515 | \$1,577,880 | (60.7%) | (\$2,441,635) |
| Debt Service | \$3,632,095 | \$1,502,821 | \$1,491,368 | (0.8%) | (\$11,453) |
| Total | \$10,992,046 | \$13,489,935 | \$11,891,019 | (11.9%) | (\$1,598,916) |

BY DEPARTMENT

| Utility Fund Department Budgets | | | | | |
|---------------------------------|------------------------|-----------------------------------|---------------------------------------|-------------------|----------------------|
| | FY 2021-2022 Actual | FY 2022-2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
| Admin, Billing & Meters | \$1,617,816 | \$1,439,936 | \$1,613,720 | 12.1% | \$173,784 |
| Operations & Maintenance | \$3,568,536 | \$5,663,169 | \$5,854,953 | 3.4% | \$191,784 |
| Engineering | \$306,902 | \$298,098 | \$285,000 | (4.4%) | (\$13,098) |
| Water Resource Recovery | \$1,802,512 | \$2,242,698 | \$2,633,578 | 17.4% | \$390,880 |
| Non-Departmental | \$3,696,280 | \$3,846,034 | \$1,503,768 | (60.9%) | (\$2,342,266) |
| Total | \$10,992,046 | \$13,489,935 | \$11,891,019 | (11.9%) | (\$1,598,916) |

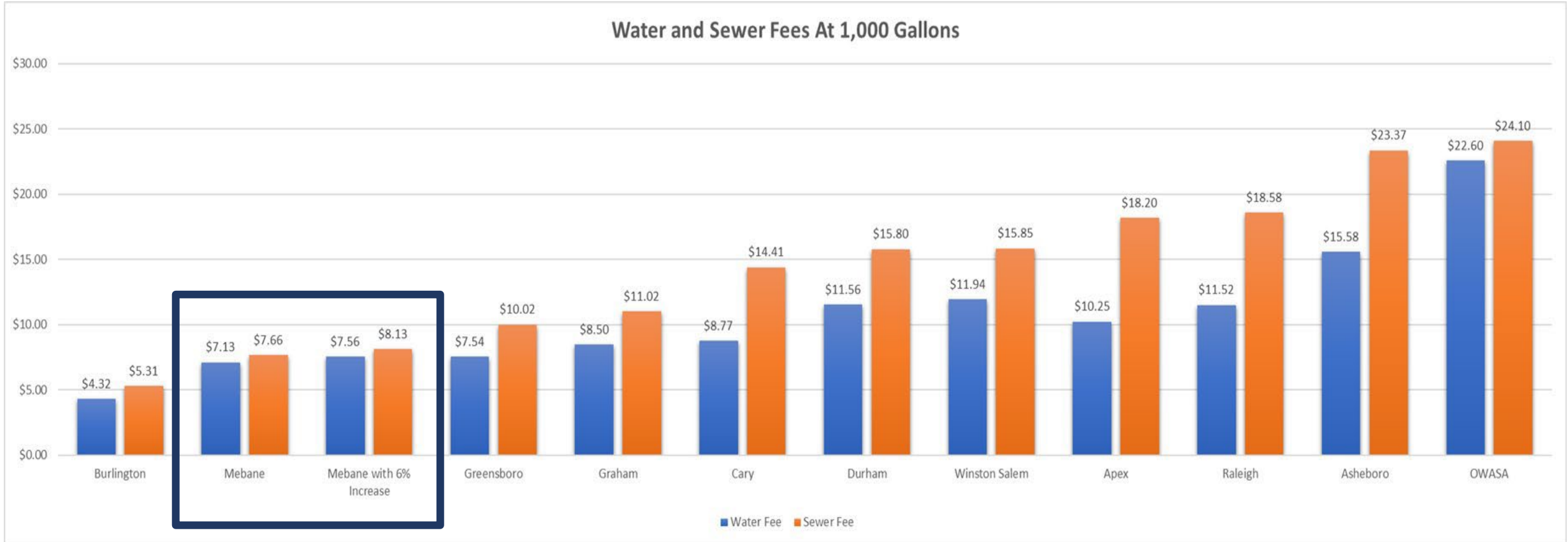


WATER AND SEWER RATES

| Water and Sewer Rates | | | | | |
|-----------------------|--------------|---------------|--------------|---------------|----------|
| Fiscal Year | Inside Water | Outside Water | Inside Sewer | Outside Sewer | Increase |
| FY 22-23 | \$7.13 | \$14.26 | \$7.66 | \$15.30 | 6% |
| FY 23-24 | \$7.56 | \$15.12 | \$8.12 | \$16.24 | 6% |



RATE COMPARISONS





M UTILITY FUND REVENUES AND OTHER FUNDING SOURCES

Utility Fund Revenues and Other Funding Sources

| | FY 2021-2022 Actual | FY 2022-2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
|---|------------------------|-----------------------------------|---------------------------------------|-------------------|----------------------|
| Revenues | | | | | |
| Sales and Services | \$8,014,130 | \$8,444,216 | \$8,844,194 | 4.7% | \$399,978 |
| Intergovernmental | (\$55,461) | (\$106,000) | (\$106,000) | 0.0% | \$0 |
| Permits and Fees | \$199,129 | \$304,875 | \$449,400 | 47.4% | \$144,525 |
| Investment Earnings | \$4,548 | \$20,000 | \$20,000 | 0.0% | \$0 |
| Miscellaneous | \$166,352 | \$510,500 | \$222,500 | (56.4%) | (\$288,000) |
| Total revenues | \$8,328,698 | \$9,173,591 | \$9,430,094 | 2.8% | \$256,503 |
| Other financing sources | | | | | \$0 |
| Transfers in | \$2,008,316 | \$0 | \$0 | N/A | \$0 |
| Debt proceeds | \$4,794,058 | \$0 | \$0 | N/A | \$0 |
| Appropriated fund balance | \$0 | \$4,316,344 | \$2,460,925 | (43.0%) | (\$1,855,419) |
| Total revenues & other financing sources | \$15,131,072 | \$13,489,935 | \$11,891,019 | (11.9%) | (\$1,598,916) |



Utility Capital
Reserve Fund
Recommended
Budget

FY23-24

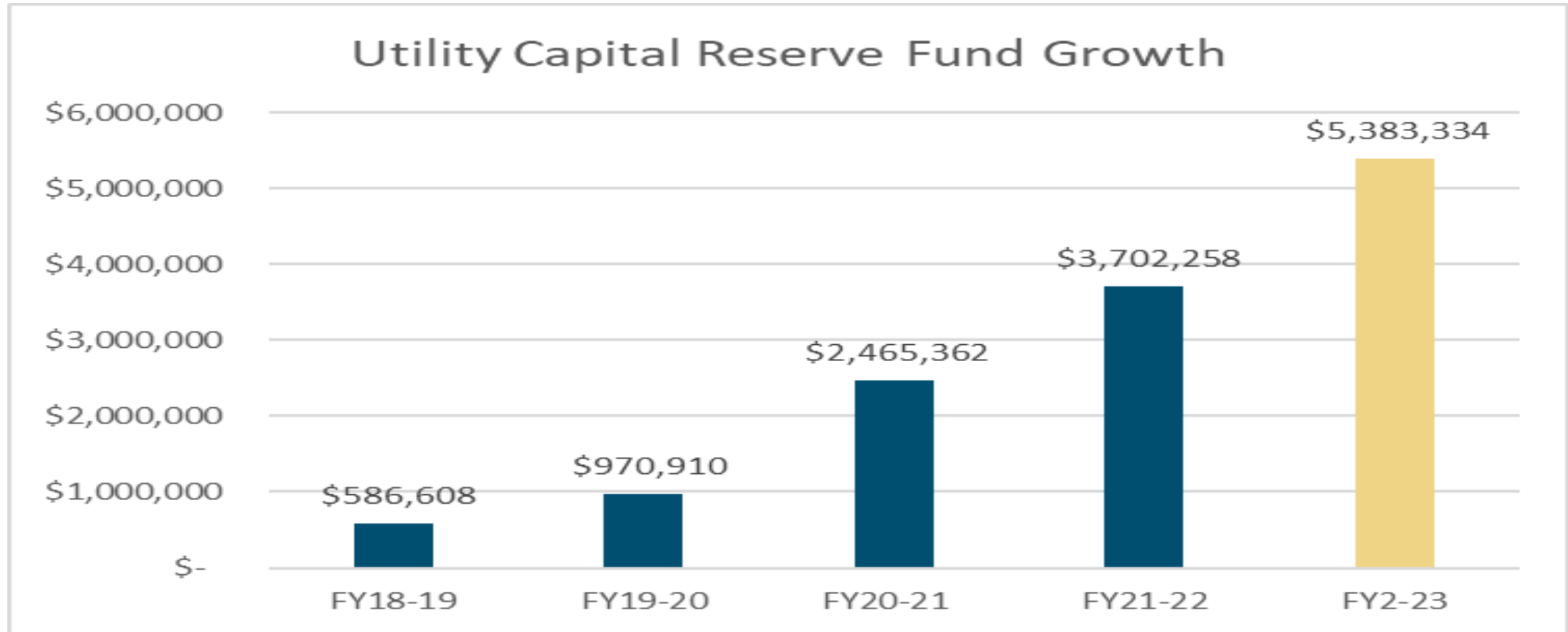


UTILITY CAPITAL RESERVE FUND REVENUES

| Capital Reserve Fund Revenues and Other Financing Sources | | | | | |
|---|-------------------------|---------------------------------------|---------------------------------------|-------------------|---------------------|
| | FY 2021- 2022 Actual | FY 2022- 2023 Amended Budget | FY 2023-2024 Recommended Budget | Percent Change | FY22-23 Variance |
| System Development Fees | \$1,434,780 | \$1,598,000 | \$1,670,000 | 4.5% | \$72,000 |
| Interest Earnings | \$1,293 | \$3,000 | \$3,000 | 0.0% | \$0 |
| Total revenues | \$1,436,073 | \$1,601,000 | \$1,673,000 | 44.3% | \$491,500 |
| Other financing sources | | | | | |
| Transfers out | (\$199,177) | \$0 | \$0 | N/A | \$0 |
| Total revenues & other financing sources | \$912,222 | \$1,601,000 | \$1,673,000 | 22.3% | \$72,000 |



UTILITY CAPITAL RESERVE FUND GROWTH



FY22-23 is as of 5/31/23.



FY23-24 BUDGET RECAP

| | | | |
|---------------------------|---------------------|----------------------------------|---------------------|
| General Fund Expenditures | \$33,244,817 | General Fund Revenues | \$33,244,817 |
| Utility Fund Expenditures | <u>\$11,891,019</u> | Utility Fund Revenues | <u>\$11,891,019</u> |
| Total Expenditures | \$45,135,836 | Total Revenues | \$45,135,836 |
| Utility Capital Reserve | \$1,673,000 | Utility Capital Reserve Revenues | \$1,673,000 |

Property Tax Rate - \$0.38 per \$100 valuation
FY22-23 rate is \$0.47
Revenue neutral rate is \$0.3421

Water Rates per 1,000 gallons – 6% increase
Inside City \$7.56, Outside City \$15.12

Sewer Rates per 1,000 gallons – 6% increase
Inside City \$8.12, Outside City \$16.24



Questions?