

MINUTES OF SPECIAL BUDGET WORK SESSION HELD APRIL 30, 2018

SPECIAL MEETING The Granite Falls Town Council held a Special Budget Work Session on Monday, April 30, 2018 at 6:15 p.m. in the Council Chambers of the Administrative Building.

PRESENT The following members of the governing body were present: Mayor Barry Hayes, Council Members Dr. Caryl B. Burns, Larry Knight, Jim Mackie, Mike Mackie, and Martin Townsend.

ABSENT The following member of the governing body was absent: Tracy Townsend

STAFF PRESENT The following staff members attended the meeting: Town Manager Jerry Church, Town Clerk Paula Kirby, Finance Director Marsha Harbison, Administrative Assistant Kara Calloway, Police Chief Chris Jenkins, Fire Chief Brian Bennett, Public Works Director Randy Smith, Water Resources Director Chris Graybeal, Parks & Recreation Director Chad Raby, and Assistant Police Chief Jerry O’Brine “Brine” Branham, III.

VISITORS None.

NEWS MEDIA No news media attended the meeting.

MEETING CALLED TO ORDER Mayor Barry Hayes called the meeting to order and welcomed everyone present.

AGENDA APPROVED Larry Knight made a motion the Council approve the agenda as presented. Mike Mackie seconded the motion, with a unanimous affirmative vote.

NEW BUSINESS

BUDGET TIMELINE REVIEWED Town Manager Jerry Church reviewed the Budget Timeline. A copy of the timeline is attached and is hereby made a part of these minutes.

PROPOSED GENERAL FUND REVENUES REVIEWED Town Manager Jerry Church reviewed the proposed General Fund Revenues. He recommended that the 2019 Town property tax rate remain at \$.4485 per \$100 valuation. He projects 1.55% growth in sales tax revenue which makes the 2019 sales tax budget \$985,000. The South Caldwell Fire District tax rate will remain at \$.1365 per \$100 valuation for 2019. The new contract for the water tank cell tower lease will increase from \$19,000 to \$22,000 per year. The FY 2019 budget is

balanced with a Fund Balance appropriation of \$270,350, which represents approximately 10% of the Town's projected available fund balance at the end of FY 2018.

PROPOSED GENERAL BUDGET PARAMETERS REVIEWED Town Manager Jerry Church reviewed the proposed General Budget Parameters. Mr. Church informed the Council that the Town will add one new entry level lineman as a full-time employee in the Electric Department to address the shortage of qualified lineman. There will be increases in the Police and Electric Departments for training of new employees. The 2019 Annual Audit budget is up \$7,500 from the 2018 budget. The Town is in the last year of its audit contract with Martin Starnes. Mr. Church anticipates an increase of approximately 30% and plans to bid this out to minimize the amount of increase. Service and Maintenance Contracts costs increased in all funds due to increases on existing contracts and for new contracts for the Email backup, website, Wi-Fi, AMOS software, new generators, and the PEV station.

Mr. Church also informed the Council that the fourth phase of the employee classification and pay plan will be implemented in this budget. The cost of implementing the revised pay plan is not limited to salary increases as these salary increases lead to additional implementation costs for benefits, such as 401-K, FICA, retirement, unemployment and workers compensation, which are calculated based on a percentage of salary. Effective July 1, 2018, the Town will move the healthcare coverage from United Healthcare to coverage provided by the NCLM. This will limit the premium increase to approximately 4% with a guarantee that premiums will not increase by more than 8% in fiscal 2020. There are no changes in coverage or premiums for the Town-paid dental or life insurance plans or to the employee-paid vision insurance plan. Mr. Church also proposed, effective July 1, 2018, that compensation for the Mayor be increased from \$200 per month (\$2,400 per year) to \$300 per month (\$3,600 per year) and compensation for each Council Member be increased from \$100 per month (\$1,200 per year) to \$200 per month (\$2,400 per year).

PROPOSED GENERAL FUND EXPENDITURES REVIEWED

ADMINISTRATION Town Manager Jerry Church reviewed the proposed Administrative expenditures. Mr. Church informed the Council of decreases in the M&R Building and Grounds, Baird House Expense, and Economic Development Expense budgets and an increase in the STMS Façade Grants budget. Proposed capital projects include replacement of the network server and replacement of the phone system.

POLICE Police Chief Chris Jenkins reviewed the proposed Police Department expenditures. Chief Jenkins informed the Council of a decrease in the M&R Equipment budget but increases in the Uniforms, Contract Services, Travel and Training, and Capital Outlay budgets. Proposed capital projects include two normal vehicle replacements.

FIRE Fire Chief Brian Bennett reviewed the proposed Fire Department expenditures. Chief Bennett informed the Council of increases to the M&R Equipment, Uniforms, and Capital Outlay budgets. Proposed Capital projects include the purchase of a rescue boat and a new truck for the Fire Chief.

STREET Public Works Director Randy Smith reviewed the proposed Street Department expenditures. Mr. Smith informed the Council of increases to the Supplies, Beautification, and Dumpsters budgets. Proposed capital projects include street resurfacing, purchases of a wood chipper and a 4x4 short bed truck, and beautification and sidewalks for the Duke Street roundabout project.

SANITATION Public Works Director Randy Smith reviewed the proposed Sanitation Department expenditures. Mr. Smith informed the Council of a slight increase in the 2019 budget.

RECREATION Parks and Recreation Director Chad Raby reviewed the proposed Recreation Department expenditures. Mr. Raby informed the Council of increases to the Supplies and M&R Building and Grounds budgets and decreases to the Utilities and Capital Outlay budgets. Proposed projects include resealing and striping the main parking lot, resealing Civic Club Drive and the lower parking lot, ADA compliant outdoor restrooms near the Veterans Monument, two ADA compliant indoor restrooms, Civic Building renovations, and repairs to water damaged gym walls.

PROPOSED WATER & SEWER FUND REVENUE BUDGET REVIEWED Town Manager Jerry Church reviewed the proposed Water & Sewer revenue budget. Mr. Church informed the Council of an approximate 3.4% proposed average rate increase per customer.

PROPOSED WATER & SEWER FUND EXPENDITURES REVIEWED Water Resources Director Chris Graybeal reviewed the proposed Water & Sewer Department expenditures. Mr. Graybeal informed the Council of increases to the M&R Equipment, Utilities, and Capital Outlay budgets and decreases to the Engineering Fee and Supplies budgets. Proposed projects include rebuilding of filters at the Water Treatment Plant, normal replacements of water valves, normal replacements of fire hydrants, normal water and sewer line improvements, replacement of a 1999 backhoe and a 1989 sewer jetter machine, and purchase of Vaughn chopper pumps.

PROPOSED ELECTRIC FUND REVENUE BUDGET REVIEWED Town Manager Jerry Church reviewed the proposed Electric revenue budget. Mr. Church informed the Council the proposed budget recommends reducing 2019 rates by 1.0% from 2018 rates. Reducing the current electric rates by 1.0% would mean that the reduction in the average residential bill would offset approximately 60% of the required increase in the average residential water and sewer bills.

PROPOSED ELECTRIC FUND EXPENDITURES REVIEWED Electric Services Director Rick Sisk reviewed the proposed Electric fund expenditures. Mr. Sisk informed the Council of increases to the Engineering, Supplies, M&R Equipment, and Capital Outlay budgets. Proposed projects include purchasing backup generators for the 8 pump stations that currently do not have one, normal meter replacements, replacement of 1992 Altec bucket truck, Granite Village primary upgrade, street light upgrade, pole replacements, complete loops in Riverbend Subdivision and Brooks Glen and Robert Clontz Developments,

replacement of old primary to ballfields #1 and #2 at the Recreation Center, sewer plant feeder upgrade, routine maintenance to the infra-red system scan (every 2 years), and performing a pole attachment/pole survey.

PROPOSED FEE SCHEDULES REVIEWED Finance Director Marsha Harbison reviewed the proposed Fee Schedules. Mrs. Harbison informed the Council of increased Planning fees. The Recreation Center will implement Senior Citizen pool fees of \$1.00 and Social Hall/Gym combination rentals. She also reminded the Council of the 3.4% water rate increase and the 1.0% electric rate decrease.

COUNCIL DISCUSSIONS AND GUIDANCE The Town Council had no additional input for the 2019 budget. Mayor Barry Hayes and Council Member Jim Mackie thanked Town Manager Church, Finance Director Marsha Harbison, and Department Heads for their time and effort in getting the budget together. The proposed 2018-2019 Budget will be presented to the Council at the Special Meeting on Monday, May 22, 2019 at 5:30 p.m.

***COPIES OF THE SPECIAL BUDGET WORK SESSION MATERIALS ARE ATTACHED AND ARE HEREBY MADE A PART OF THESE MINUTES.**

MEETING ADJOURNED Martin Townsend made a motion the Council adjourn the meeting. Jim Mackie seconded the motion, with a unanimous affirmative vote.