

MINUTES OF SPECIAL BUDGET WORK SESSION HELD MARCH 26, 2018

SPECIAL MEETING The Granite Falls Town Council held a Special Budget Work Session on Monday, March 26, 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, Martin Townsend and Tracy Townsend.

ABSENT The following member of the governing body was absent: None.

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

VISITORS None.

NEWS MEDIA Guy Lucas, representing the *News-Topic*, attended the meeting.

MEETING CALLED TO ORDER Budget Committee Chairman Tracy Townsend called the meeting to order and welcomed everyone present.

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

NEW BUSINESS

CIP UPDATE Town Manager Jerry Church stated it was necessary to update the CIP each year to prioritize and formulate the capital outlay budget for the next fiscal year. The capital projects and purchases identified in the CIP are results of the Department Head's efforts to compile the needs for their respective areas of responsibility. The facilities and equipment identified in the CIP are required to continue providing the high level of services deserved and expected by our citizens. The CIP identifies both near term and long term (20 years) needs for projects that are projected to cost \$15,000 or more. The CIP will be used as a reference to review the progress on completing projects, determining project timelines, reassessing project priorities, and in identifying and scheduling new projects. The Council

was presented a draft of the updated CIP for fiscal year 2018-2019. The draft was for information only. The CIP draft will be updated and presented to the Council for final approval at a later date. The Council will also be requested to approve the Capital Outlay funds for fiscal year 2018-2019 as part of the normal budget approval process.

Each Department Head presented brief descriptions of the CIP projects for his area(s) of responsibility limited to CIP projects that have changed significantly since the CIP was updated for fiscal year 2017-2018. Such changes include completed CIP projects, new CIP projects, deleted CIP projects or projects that the costs increased significantly or the implementation date changed significantly.

Copies of significant CIP changes for each department are attached and are hereby made a part of these minutes.

PROPOSED 2018-2019 CAPITAL OUTLAY BUDGET DISCUSSED Each Department Head presented brief descriptions for proposed Capital Outlay projects for fiscal year 2018-2019. Copies of the proposed Capital Outlay projects for each department are attached and are hereby made a part of these minutes.

NON-CIP PROJECTS FOR FISCAL 2017-2018 DISCUSSED The Council was presented a list of non-CIP projects completed fiscal year 2018. A copy of the list is attached and is hereby made a part of these minutes.

BUDGET OVERVIEW

GENERAL FUND REVENUE OUTLOOK Town Manager Jerry Church stated that approximately 46% of the Town's budgeted revenue in the General Fund comes from property taxes. Currently, property tax revenue is 5% from the previous year. Aggressive collection efforts on past due taxes are continuing. Mr. Church stated that a normal property tax rate increase will not be necessary for 2017-2018 but it is too early to make that final determination.

Town Manager Church stated that approximately 24% of the Town's budgeted revenue in the General Fund comes from sales tax. As of February year-to-date fiscal 2017-2018, sales tax revenue is up \$24,000 or 3.25% from last year. Most of the projections for the remaining 30% of the General Fund Revenue budget cannot be determined until the NCLM annual revenue projections are released.

Town Manager Church anticipates a small rate decrease of approximately 1% in electric rates and a minimal increase of approximately 3.41% in water and sewer rates for 2018-2019. The water and sewer rate increase will be in line with projected rate increases of other local communities. The average in-Town residential utility customer that has electric, water and services will have a flat utility bill with the prior year assuming the same weather and consumption conditions.

EXPENSE OUTLOOK Town Manager Jerry Church anticipates the Council will choose to continue to reinvest incremental revenues in a combination of addressing aging infrastructure in all departments and implementing Phase III of the Pay and Classification Study the Council accepted three years ago. Some of the major changes included in the preliminary budget for next year will include:

Technical Upgrades – new computer and telephone systems, first year of the Town’s new website, Office 365, Code Red, free downtown public Wi-Fi, AMOS asset management software and electric car charging station.

Miscellaneous Upgrades – Duke Street Intersection, pole replacements, and cyber security coverage added to insurance.

Other Potential Changes – Town Manager Church stated that Town staff is well into the process of analyzing and planning basic expenditures to run Town operations next year. Mr. Church is waiting on quotes for the Town’s health insurance renewal. He anticipates that rates will go up next year. He will research changes in deductibles and co-pays to minimize the financial impact on the budget.

BUDGET INPUT Town Manager Jerry Church stated that 8 electric generators may be added instead of 4.

Budget Committee Chairman Tracy Townsend commended Town Manager Church, Town Staff and Department Heads for their hard work on the budget.

MEETING ADJOURNED Dr. Caryl B. Burns made a motion the Council adjourn the meeting. Larry Knight seconded the motion, with a unanimous affirmative vote.