

MINUTE BOOK XXV, PAGES 46-49
BUDGET WORKSHOP OF THE TROUTMAN TOWN COUNCIL
APRIL 21, 2016

A Budget Workshop of the Troutman Town Council was held in the Troutman Town Hall, 400 North Eastway Drive, North Carolina on April 21, 2016 at 1:00 p.m. with the Mayor Ronald N. Wyatt presiding.

Council Members Present: Teross Young, Judy Jablonski, Paul Henkel, James Troutman, Sally Williams-via telephone conference

Staff Present: Ann G. Bailie, Town Manager; Kimberly H. Davis, Town Clerk; Erika G. Martin, Planning Director; Steve H. Shealy, Finance Director; Matthew A. Selves, Police Chief; Adam K. Lippard, Public Works Manager, Justin Longino, Parks & Rec Coordinator, Gary W. Thomas, Town Attorney

Press Present: Debbie Page, STV Free News
Nina Mastandrea, Statesville Record and Landmark

ITEM 1. MAYOR PRO TEMPORE TEROSS YOUNG CALLED THE MEETING TO ORDER (1:12 PM) Mayor Wyatt arrived at 1:17 pm.

ITEM 2. DISCUSSION OF THE 2016/2017 FISCAL YEAR PROPOSED BUDGET

Town Manager Ann Bailie began the workshop by presenting a general overview of the proposed annual operating budget for the *General Fund*, *Utility Fund*, and *Personnel* stating that staff is presenting a balanced budget and the upcoming year looks good for revenues. General highlights are as follows:

1. No tax increase proposed
2. Water rate decrease of \$0.07 per 1000 gallons (due to growth and water efficiencies project which replaced approximately 500 meters for a more accurate reading)
3. Sewer rate decrease of \$0.05 per 1000 gallons (due to growth and efforts to control inflow and infiltration)
4. Group insurance decrease of 5%
5. No fund balance appropriated

Items highlighted in the *General Fund*:

6. \$50,000 in contingency (reverts back to fund balance if not needed)
7. Completion of Main Street Traffic Circulation Study
8. Completion of UDO rewrite
9. Begin Wayfinding program
10. Included \$35,000 for updating plans for Town Hall expansion
11. Retain \$2,000 for library grant
12. Retain Code Enforcement within the Troutman Police Department
13. Purchase 3 police cars (includes one currently on order)
14. Overhaul Personnel Policy (less than \$1,000)
15. \$7,500 for Street Study to evaluate condition of all streets and prepare cost estimates for repair of those in most need
16. Eliminated Economic Development consultant (due to changes at Statesville Regional Development Corporation (SRD) may lessen the need for the position)
17. Included \$12,500 for design of splash pad for Park Phase 2

Highlighted in the *Utility Fund*:

18. Purchase of a skid steer

19. \$77,740 for purchase of additional sewer capacity from Mooresville (due to growth)
20. \$71,000 to complete the three year payment for painting the interior of the Houston Road water tank (cost will decrease next year)
21. \$3,000 for purchase of a new handheld meter reader (support of current handheld has been discontinued)

Personnel Highlights:

22. Maintain current positions
 23. 3% salary increase for town employees
 24. Part-time Parks & Rec. position
 25. Interns for Communications, Planning, and Farmers Market
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FUND BALANCE

Finance Director Steve Shealy gave an explanation of *Fund Balance* stating that Fund Balance (basically the Town's savings account) is the amount of funds left over at the end of the year of revenues over expenses, building over time. If revenues run short, Fund Balance can be drawn down as needed. Mr. Shealy stated that state statutes require a minimum of 8% of the Town's prior year actual expenditures to be kept on hand, enough to pay one month's worth of bills. The Local Government Commission (LGC) advises that town's comparable to Troutman's size maintain an average of 25.92%; but would like to see around 50-60%; the higher the better. The Town's Fund Balance is 36.25%. Currently, there is no set or adopted goal for Fund Balance. Staff feels that 50% would be a good goal for Council to aim for. Council member Henkel recommended that Council set a Fund Balance goal of 50% and replenish the Fund Balance by the total dollar amount taken from Fund Balance in the current budget year for projects and/or items purchased. Mr. Shealy stated it would take some type of contingency. He presented 3 scenarios in which to increase Fund Balance: 1) Funds as proposed in contingency to go into Fund Balance if not used, with no fund balance appropriated; 2) Appropriate contingencies at the legal maximum of 5% of all other expenditures that would total \$156,615. In order to accomplish the max total; the Town will have to impose a tax increase of 3.25 cents; 3) To bring Fund Balance back to the recommended amount of \$460,500, the town would have to budget something specific and then not spend it (not sure if legal) would take a 10 cent tax increase. Mr. Shealy advised that funds cannot be put into Capital Reserve then moved out. Capital Reserve is restricted and the funds have to be spent on a capital project, or roll over from year to year. Mayor Wyatt stated that a 3.25 cents tax increase would only put back what was taken out of Fund Balance the current budget year, not actually increasing the fund. In considering the most practical option in efforts to increase Fund Balance, Council member Henkel suggested adding another 1 cent to the proposed 3.25 making a total tax increase of 4.25 cents.

DISCUSSION

General Fund:

Purchase of 3 vehicles: One vehicle is currently on order and will be paid for in the new budget year; the other two vehicles will be ordered after the new budget year. Mayor Wyatt asked why the vehicles are not listed in the police department budget. Finance Director Shealy explained that large ticket items are kept out of individual department budgets and listed under Capital Projects, but the three annual payments totaling \$104,000 for the proposed vehicles will come out of the police department budget. No vehicles were purchased last year, and the Town has one payment left on police vehicles purchased 3 years ago. Discussion was held concerning maintenance of, and cost analysis from 2009-2015 on two surplus vehicles - 2006 Crown Vic., and 2008 Charger (cost analysis sheets were distributed to the Council). Police Lt. Darrin Payne explained and answered questions regarding maintenance cost of the two vehicles.

Mayor Wyatt suggested waiting a couple of months after the new budget year to order the other two vehicles, and agreed with Council member Jablonski comments that fleet vehicles should to be cycled on rotation. Lt. Payne explained the dealerships program in ordering vehicles and that by pushing the ordering time out, the department could

be down a vehicle at any time due to issues with the current vehicles on hand. When asked by Town Manager Bailie the purpose in delaying the ordering of the other two vehicles, Mayor Wyatt responded that in speaking with several Council members, Council is not sure of the full need for all current officers and current assignments.

Wayfinding Program: Planning Director Erika Martin explained that the program is a 2 year process. Cost of \$21,000 proposed for sign design and public workshops. Funds for the signs will be proposed in the 2017/2018 budget year.

Town Hall Expansion: \$35,000 proposed to begin the process of updating plans and getting construction drawings for Town Hall expansion. Town Manager Bailie stated that there is no office space or storage currently available. Council member Troutman stated that the Mayor should have a proper office and it not be the kitchen. He suggested that two people could be stationed in the front office, freeing up an office for the Mayor. Finance Officer Steve Shealy commented that it would be a tight squeeze. Mayor Wyatt stated that he would prefer to have a regular office, and does not want the employees to lose access of the kitchen, but he will not make someone work in an environment where they cannot do their job. He continued by stating that some Council members feel the Police Department should remain at Town Hall, but for privacy and safety concerns of administrative staff, another location would be more appropriate and less cost than an expansion. Even with raising taxes this year, the town cannot afford an expansion, so why spend the money for a design. Mayor Wyatt suggested giving the public an opportunity to voice their opinion regarding expanding Town Hall or relocation of the Police Department by holding a "Citizen Input Day". Council member Henkel requested that Police Chief, Mayor, and Town Manager form a committee with the goal of seeking a new location for the Police Department. The \$35,000 for updating expansion plans remained in the proposed budget.

Retain Code Enforcement with Troutman Police Department: Mayor Wyatt asked staff if one qualified person on a part-time basis is too much work for one person for Code Enforcement Officer, Public Information Officer (PIO), Farmers Market Manager, and Parks and Rec. Town Manager Bailie responded that the positions are too different. In describing the differences in the positions and giving a brief summary of the duties of Code Enforcement stating that Code Enforcement should be pulled from the mix and outsourced if the Council so wishes. The proposed budget includes interns for communications (PIO), Farmers Market, and Planning. Mayor Wyatt commented that he and the Town Manger will discuss a particular individual that he has in mind for the position. Discussion was held regarding what hours classify as part-time. Finance Director Steve Shealy stated that the town's personnel policy states that anything less than full time classifies as part-time. Staff to research if specific hours apply in order to receive full-time benefits.

Street Study: Town Manager Bailie explained that the proposed Street Study is proposed due to Council's request of a list of all the streets in town and their condition so they could be prioritized in order of the ones most needed for maintenance. The proposed study will evaluate all the streets and allow staff to budget the cost efficiently going forward. The towns engineering firm, West Consultants was identified as the one to do the study. Mayor Wyatt questioned the need of an engineering company evaluating the streets over the expertise of a paving company.

Splash Pad Design-Park Phase 2: Mayor Wyatt asked if the town received the cost for sun shades for the playground. Planning Director Martin responded that the town has not. He asked that Ms. Martin check into the cost commenting that he thinks it is more of a priority than the splash pad. Ms. Martin commented that she can get the pricing, but the reason for budgeting for the design of the splash pad is to get a cost/amount in working toward the splash pad construction grant through the Parks & Recreation Trust Fund that is due in January. She stated that Land Design is the architectural firm she is looking at for the design which will be more of a non-pooling fountain than a splash pad. Council member Henkel commented that he has received complaints that there is no shade at the playground, and does not want the sun shades to be put on the back burner. Ms. Martin stated that a public input session will be held in regards to the splash pad design and the citizens could also be polled regarding the two amenities. Mayor Wyatt commented that the amount proposed for the splash pad is not a lot of money, maybe the town could do both. Ms. Martin to get pricing options for the playground sun shades.

Utilities:

Discussion was held regarding the need of a Skid Steer as proposed in Public Works Department *Capital Outlay* (\$46,000) to replace the departments backhoe. Public Works Manager Adam Lippard explained the purpose and present issues regarding the Town's backhoe verses the proposed Skid Steer. He stated that the Kubota Skid Steer is a versatile machine, stressing its efficiency, effectiveness and safety. Council requested the backhoe be kept for the purpose of light duty. Mr. Lippard also explained the purchase of five (5) Fire Rated Uniforms also listed in *Capital Outlay* at \$600 each, totaling \$3,000 stating the uniforms are required and would be worn when working with electrical panels for safety and liability issues. A brief discussion was held regarding the proposed purchase of a new updated handheld meter reader that will be compatible with the town's new meters/system.

Review/Summary:

- **Staff to provide projections of imposing a 3.25 cents tax increase, and projections with another ½ cent to go to a Capital Reserve Fund in the General Fund designated for Space Expansion and ½ cent to a Capital Reserve Fund in the General Fund designated for Economic Development.**
- **Include funds for a Skid Steer in Utilities (Public Works Director Lippard provide two quotes for Skid Steer and one attachment, if needed to the Town Manager).**
- **Planning Director Martin to provide cost for Playground Sun Shades for Council consideration.**
- **Include \$12,500 in addition to the existing \$5000 proposed for the playground-for extension of playground equipment. The extension of the playground would satisfy public concern of an identified safety hazard. Council request to review design drawings at the next meeting. Ms. Martin to also pursue possible grants.**
- **Retain \$2,000 grant to Library**
- **Retain purchase of 3 Police Vehicles (Staff to research the best option to retain as a back-up vehicle)**

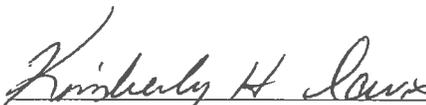
Items 22-25 listed under Personnel on the Budget Information Memo (not discussed in this workshop) to be discussed at the Councils next Budget Workshop on Monday, April 25, 2016.

**Council member Young left the meeting at 3:15 pm*

(Copied in full, budget information summary, proposed budget, and vehicle maintenance report is attached to and made part of these minutes and is file on CD titled: "Town Board Supporting Documents" dated, April 21st, 2016 in CD Book #1 titled, "Town Board Supporting Documents")

ITEM 3. ADJOURNMENT

Upon motion by Council member Troutman, and seconded by Council member Henkel, and unanimously carried, the Budget Workshop of April 21, 2016 was adjourned at 4:22 p.m.



Kimberly H. Davis, Town Clerk





Ronald N. Wyatt, Mayor