

**MINUTE BOOK XXVII, PAGES 54-59
BUDGET WORKSHOP OF THE TROUTMAN TOWN COUNCIL
MAY 16, 2018**

A Budget Workshop of the Troutman Town Council was held in the Troutman Town Hall, 400 North Eastway Drive, North Carolina on May 16, 2018 at 9:00 a.m. with the Mayor Teross W. Young, Jr. presiding.

Council Members Present: Judy Jablonski, Paul Henkel, James Troutman, Sally Williams, Paul Bryant

Staff Present: Justin E. Longino, 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, Emily M. Watson, Parks & Recreation Coordinator

Press Present: Debbie Page, SVL Free News
Chloe Moores, Statesville Record & Landmark

ITEM 1. MAYOR TEROSS W. YOUNG, JR. CALLED THE MEETING TO ORDER

In calling the meeting to order, Mayor Young welcomed all in attendance.

ITEM 2. DISCUSSION OF THE 2018/2019 FISCAL YEAR PROPOSED BUDGET

Town Manager Justin Longino stated that based on discussions over the past year the following additions and/or changes are being proposed in the Town of Troutman 2018-2019 FY Budget.

- No tax increase.
- No water/sewer rate increase.
- No additional employees requested.
 - Additional money was budgeted for part-time help in Parks and Recreation and Administration, but no new full-time staff members are proposed.
- \$85,000 for the Town's Strategic Master Plan.
 - Partial payment to occur in FY 17-18.
- \$135,000 for the Street Improvement Project Debt Service.
- \$125,000 for the Southwest Bypass Study.
 - This was budgeted for in FY 17-18, however funding was cut from CRTPO sometime during the middle of the year. At the beginning of May, the Town was notified that funding was again available for the study so funds have been re-budgeted in FY 18-19. (\$100,000 grant funds/\$25,000 Town funds).
- \$40,000 for the outright purchase of one (1) police vehicle.
- \$21,200 in tax incentives for existing industry (previously approved by Council).
- \$20,000 in additional leaf pick-ups (6 extra days).
- \$5,400 in additional street sweeping services.
- \$61,000 in utility equipment (Utility Fund).
- \$43,400 for additional wayfinding signage -Phase 2.
- \$100,000 for PARTF matches (if awarded).
- \$60,000 for future greenway expansion.
 - Council approved matching funds for Richardson Greenway south and Downtown Sidewalk Package coupled with the Talley Street Sidewalk package. These funds are to begin the design and acquisition phases of these projects.

Council member Jablonski asked the total cost of the Wayfinding program. Town Manager Longino responded \$96,000.

Council member Bryant asked that Town Manager Longino explain the budget approval process going forward. Town Manager Longino replied that once the budget is agreed upon, it will be available for public inspection in the front office for ten days. A public meeting will be held and the budget ordinance adopted before the July 1st deadline.

Council member Henkel asked the percentage increase of the total budget from last fiscal year. Finance Director Steve Shealy responded that the increase is 3.17%. Total budget proposed - \$5.9 million.

Upon request of Council member Bryant, Finance Director Shealy gave a brief summary explaining each of the headings listed at the top of the budget worksheet for clarification purposes.

Council requested to review each department individually. Town Manager Longino highlighted significant proposed changes.

Governing Body

- *Professional Services – Proposing a \$4,000 decrease-lesser cost due to the new audit contract.
- *Training – Proposing a \$1,000 decrease-no “new elected official” training requirement.

Administration

- *Employee Training – \$3,000 increase proposed.
- *IT Expense – \$5,000 increase proposed.
- *Contracted Services – Proposed increase of \$2,500. Town Manager Longino commented that the \$2,500 increase may have been for the Personnel Policy revisions, but the revisions were cost effective enough that it was taken from the current year’s budget and not removed from the proposed budget. Finance Director Shealy to verify. (*Contracted services* spreadsheet was accidentally excluded from the budget packet).
- *Salaries and Wages – Proposed increase allotting for a part-time position on an as needed basis.

Elections

Nothing budgeted due to no upcoming elections in 2018.

Planning and Zoning

- *Training – Slight increase of \$1000 proposed.
- *Contracted Services – Proposed increase of \$90,000 for the following items: Southwest Bypass Study, Code Enforcement contracted through CCOG, Dude Solutions, and the Strategic Master Plan. Council member Henkel asked staff if Code Enforcement is going to become more proactive than reactive. Planning Director Erika Martin responded that she has addressed the issue with the Code Enforcement Officer. Council members requested a monthly report/activity log pertaining to code enforcement issues and information regarding pay of services rendered. Town Manager Longino stated the contract is a flat rate billed quarterly; no increase in the rate.
- *Salaries and Wages – Proposed increase is partially due to allocating 25% of Danielle Upright’s pay to come from Planning & Zoning for issuing permits and an intern position. Mayor Young referenced the possibility of a part time position in planning and zoning that would take over permitting, allowing Ms. Upright to focus on customer service. Discussion was held regarding limited space at Town Hall and options for temporary additional space such as renovating the kitchen at Town Hall. Town Manager Longino stated he is waiting on a quote. Council member Henkel asked if space would be available at Fire Department once renovated. Council member Troutman replied there is not. Council member Bryant questioned the possibly of renting mobile units. Mayor Young asked if staff has looked for lease space recently. Town Manager Longino replied that he has not looked into existing space to lease recently, but he will explore both the lease space and modular options.

Police Department

- *Salaries and Wages – Proposed increase of \$21,600.
 - * Retirement Expense – Proposed increase of approximately \$4000
- Chief Matthew Selves explained that the two line items (salaries and wages and retirement expense) are proposed due to a vacant position, recruitment and retention (average age of the department is in the 40’s), and the upcoming retirement of Police Lieutenant Marty Loudermilt in February of 2019. He stated that Lieutenant Loudermilt will receive

supplemental retirement from the Town until he is 62 years old. Mayor Young requested that Chief Selves provide Council with the department succession plan including experience and retirement schedule. Discussion was held regarding the purchase of a new police vehicle listed in **Capital Expenditures* totaling \$40,000; the current leasing of three existing police vehicles, and the condition of all town vehicles. Mayor Young requested that Council be provided with an updated list of all town vehicles, and the amount of police vehicle debt service versus the amount borrowed last year.

Employee Salary Discussion

In regards to the breakdown sheet of employee salaries, Council member Bryant asked that the new *Incentive Plan* line item be explained. Finance Director Shealy stated that the line item is not new, it is just not funded every year. He explained that incentives is an increase in salary based mainly on training and employees obtaining certifications. Mr. Shealy also stated the town has longevity that is paid every two years with a cap at 10 years.

Town Council Henkel questioned the proposed percentages of salary increases stating that percentage in the police department is 3%. Town Manager Longino stated the goal is 5% in all departments. Finance Director Shealy stated that it must be an error in the computers formula and that he will make the correction. Discussion was held regarding the percentage that will be cost-of-living and what percentage will be available for possible merit which is based off individual evaluations. In effort to be competitive with starting salaries, Police Chief Selves stated that cost-of-living increases will increase the starting pay scale. Finance Director Shealy explained that whatever the percentage increase is for the cost-of-living, the pay scale will be adjusted that much. In response to Council member Bryant's question of the standard Consumer Pricing Index (CPI), Mr. Shealy stated 2.1% last year. He requested information regarding CPI's for COLA's this year be provided. Mayor Young asked if the Town has any data or salary survey that is up to date. Finance Director Shealy commented that the League does a survey every year on salary comparisons. Town Manager Longino added that in comparing towns with Troutman's population, the salaries are fairly close, but those are not the ones Troutman is competing with. Troutman is competing with the Charlotte's, Mooresville's, and Statesville's. Town Manager Longino to provide Council with a salary survey to include surrounding town/cities and towns with approximately the same population as Troutman for all departments, Mayor, and Council. Town Manager Longino to also research the Council's last pay increase.

Council member Bryant stated that he looked up cost-of-living adjustments from three different sources: Social Security is 2% on the average; there is a low of 1.5%; and Kiplinger's high is 3%. He recommended that Council accept the 2% today for the cost-of-living increase.

- Upon motion by Council member Henkel, seconded by Council member Bryant, and unanimously carried, approved increase across the board with a 2% cost-of-living increase and up to 3% based on merit per department, including a review of additional funds for competitive marketability for each department.

Council member Troutman questioned the reason Public Works employee Randy Galliher's salary is not listed with the other Public Works employees. Finance Director Shealy stated that all of Mr. Galliher's salary comes out of *Utility Fund* because his time is basically spent with water issues and very little street work.

(Council member Troutman left the workshop at 10:45)

Street Maintenance

*Patching/Paving Contracted – Proposing \$20,000 (\$35,000 budget decrease). Town Manager Longino stated that due to the upcoming street project the Town should be less streets in need of repair/patching.

*Street Sweeping – Proposed increase of \$6,100 for the request of additional services.

Council member Williams questioned salary increases within the Public works Department. Town Manager Longino explained that the reasons for some increases are based on starting salaries and pre-existing certifications.

Finance Director Shealy informed Council that the Town had a slight rate increase from the state on retirement, but health insurance remained the same (no rate Increase).

Council member Henkel asked if funds are allotted for Statesville's water and sewer rate increase. Finance Director Shealy responded that he is comfortable that the Town can absorb the cost from Statesville and the 2.1% increase from Energy United through the Town's growth.

Council member Henkel asked if there are funds to upgrade of Town Hall grounds (i.e. repairing broken or cracked asphalt in the parking lot). Town Manager Longino responded that \$5,700 is included in the proposed budget under *Administration-M&R Buildings and Grounds*.

Debt Service

*Police Vehicles Principal and Police Vehicle Interest— purchase of one new vehicle (proposed principal \$71,843, proposed interest \$6,602).

*Street Loan Payment and Street Loan Interest – is the old Inglewood Project (proposed decrease in interest to be paid).

*Park Loan Payment Principal and Park Loan Interest – is paid in full (\$0 requested).

*Lytton/Patterson Street Project Principal and Lytton/Patterson Interest – (proposed decrease in principal and interest to be paid).

* 2018 Street Project Principal (\$110,000 principal) and 2018 Street Project Interest, (\$25,000 interest proposed).

Sanitation

*Leaf & Limb – due to the request to add an extra 6 days.

*Garbage Pickup, and *Recycling – Slight increase due to potential increase of new homes.

Parks and Recreation

Finance Director Steve Shealy explained changes made within Parks and Recreation such as the removal of Facility Maintenance that is now *M&R Buildings & Grounds.

Addition of the following new line items: *Travel (\$300); *Office Supplies (\$500); and *Departmental Supplies (\$2,000).

*Park Upgrades – \$20,000 proposed for additional shade, purchase of additional picnic tables, Painting of the pavilion and restrooms.

*Contracted Services – \$10,000 proposed for cleaning company or part time person to assist in cleaning restrooms.

In reference to maintenance of the restrooms, Mayor Young brought up the option of having porta-potties for certain events.

Mayor Young spoke of a letter he received from a resident requesting trash cans or pet waste centers to be placed throughout town along town sidewalks. Discussion was held regarding cost, maintenance, and placement. Parks and Rec. Coordinator Emily Watson to explore additional trash cans/pet waste centers in town.

Mayor Young asked where in the town small pocket parks could be located suggesting that they may consist of something as simple as a resting bench. Staff to research.

Council member Bryant asked what is included in the proposed \$15,000 line item in *Park Revenues*. Finance Director Shealy responded: park and depot rentals, events, farmers market, etc.

Economic Development

*Industrial Recruitment – \$8,000 proposed for Troutman Business Corporation (TBC).

*Downtown Enhancement – Proposed \$46,600 for additional (7) wayfinding signage and future murals. A decrease of \$10,600 from current year.

*Bus Service – \$10,000 proposed. No increase from current year.

*Dues-SRD – \$17,740 proposed.

Insurance & Bonds

Proposed \$90,000-Slight increase of \$5,000 from current year budget. Covers property, liability, vehicles, workers compensation, and miscellaneous bonds.

Transfers to Other Funds

*Transfer to ESC Park Fund – \$100,000 proposed for PARTF. Finance Director Shealy commented if whole amount of the PARTF grant is approved, the proposed \$100,000 will cover what can be accomplished in the upcoming year. Additional request may be proposed in following years.

*Transfer to CR-Facilities; *Transfer to CR-Economic Development; and *Transfer to CR-Industrial Recruitment are proposed funds that Council previously agreed to add to them yearly.

*Transfer to Greenway Fund – New line item of \$60,000 proposed for Richardson Greenway South and Main St/Talley Rd sidewalk project.

Contingencies - Funds set aside to specifically be put into Fund Balance.

* \$0 proposed. Town Manager Longino explained that staff will not know until this year’s audit is complete, but is expecting to put back the \$156,000 or more that is budgeted in the current budget. Council member Henkel commented that if the \$156,000 is put back into the fund balance bringing the total over 1 million dollars, then he is good with \$0 going into Fund Balance in the upcoming budget year. Mayor Young requested that staff research the minutes from last year’s budget discussion to verify if replenishing the fund balance was to be ongoing from year to year or a onetime occurrence.

Utility Fund Revenues

*Addition of line item: Tank Antenna Lease Income (cell phone tower on the water tank)-Proposed \$12,000. Town Manager Longino stated that the original commencement date was May of this year, but the signed contract has not been received back. Verizon is still reviewing the contract and still intends to move forward.

*Convenience fee – Online bill pay fee of 3% per transaction (\$8,000 proposed).

Administration-Utility

*Bank Service Charges – (\$23,000 proposed) Slight increase of \$3,000.

Capital Items-Utility

*Purchase of Sewer Capacity – \$233,220 proposed. No increase. Finance Director Shealy stated that this is a set amount for the life of the contract (40 years). He explained that anytime the town goes over 25,000 gallons, additional capacity has be purchased in increments of 25,000 gallons.

*Transfer to Capital Reserve – Increased to \$80,000.

*Debt Payment Principal – \$235,468 proposed. No increase. Ongoing debt service.

*Debt Payment Interest – \$35,503 proposed. Slight decrease. Ongoing debt service.

Maintenance-Utility

*I & I Study/Repairs – \$0 proposed. Upcoming Mill Village street project will handle 99% of existing issues.

*Contracted Services – \$90,000 proposed (\$14,000 increase). Main increase is for painting of a water tank.

*Water Meter Supplies – Proposing \$50,000 a decrease of \$5,000. Discussion was held regarding water meter replacement.

*Capital Outlay-Equipment – \$61,000 proposed. Items listed is basically for efficiency, equipment replacement, safety equipment, etc. Public Works Manager Adam Lippard reviewed each requested line item. Council member Bryant requested each item be ranked in order of need from most to least for Councils review.

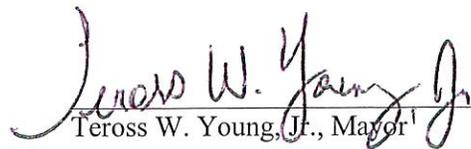
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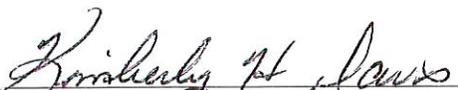
. Council member Henkel requested/proposed that Mayor Young’s salary be increased from \$6,000 to 8,000 yearly for all the time he dedicates to the Town.

. Mayor Young requested that staff research the last time that the salaries for the entire governing body were increased and the amounts. Town Manager Longino stated that he would get the survey from the NC League of Municipalities regarding elected officials along with researching the last salary increase for the governing body.

ITEM 3. ADJOURNMENT

Upon motion by Council member Williams, and seconded by Council member Henkel, and unanimously carried, the Budget Workshop of May 16, 2018 was adjourned at 1:13 p.m.


Teross W. Young, Jr., Mayor


Kimberly H. Davis, Town Clerk

