

MINUTE BOOK XXXI, PAGES 55-60
BUDGET WORKSHOP OF THE TROUTMAN TOWN COUNCIL
April 19, 2022

A Budget Workshop of the Troutman Town Council was held in the Troutman Town Hall, 400 North Eastway Drive, North Carolina on April 19, 2022 at 8:30 a.m. with the Mayor Teross W. Young, Jr. presiding.

Councilmembers Present: W. Paul Henkel; Felina L. Harris; Edward R. Nau; George W. Harris; Jerry R. Oxsher

Staff Present: Ronald Wyatt, Town Manager; Kimberly Davis, Town Clerk; Justin Mundy, Finance Director; Adam Lippard, Public Works Director; Josh Watson, Police Chief; Chip Smith, Parks and Rec. Director; Lynne Hair, Planning Director

Others Present: None

Press Present: Debbie Page, Iredell Free News

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

ITEM 2. DISCUSSION OF THE 2022/2023 FISCAL YEAR PROPOSED BUDGET

Town Manager Ronald Wyatt presented a general overview of the budget process commenting that in working with department heads they have tried to keep things as precise/direct as possible.

Finance Director Justin Mundy presented the Town's \$5,905,790 proposed budget starting with the Police Department.

Police Department:

- Salaries and Wages – Finance Director Mundy stated that the Police Department is working to meet the demand of population growth, and to allow training and time-off by budgeting for two additional police officers.
- M&R Vehicles – Requesting \$16,000; an increase of \$2,000 due to the rising cost of vehicle parts and service.
- Automotive Supplies – Increasing \$10,000 from \$35,000 to \$45,000 due to the rising cost of fuel.
Mr. Mundy noted that the 2 police vehicles that have been ordered, but not received is under Capital Expenditures rolling over \$87,000 and only requesting an additional \$137,000 for 1 additional vehicle)
- I/T Expense – Chief Watson requested combining IT expense and phone expense line items. The two line items together proposes an increase of approximately \$1,300 making it easier to track and for accounts payable.
- Departmental Supplies – Increasing \$10,000 (requesting \$50,000.) Items that come out departmental supplies is ammo for qualifications, replacement equipment for vehicles. Basically it is a catch-all if not a specific line item.
- Contracted Services – Increased \$35,000 (requesting \$87,000). This increase is mainly due to Lenslock annual payment. This year is the 2nd annual payment. Other items under this line items includes: Police Pack, CAD, Mobility VPN, Tasers, Flock Cameras, E-crash System. Chief Watson stated he is reducing the flock cameras from 15 to 12 counting the one mounted on the radar trailer. Reduction will save the Town \$6,000. He also stated that the CAD system was not being utilized and is now cancelled. In approximately 18-24 months, the department will be going with a new reporting/dispatch system with Iredell County that will be replacing Southern software that the department currently uses.

Councilmember Eddie Nau asked how the new evidence person is working out. Chief Watson commented great and that she is invaluable. Responsibilities include handling evidence and organization of the evidence room, makes all case files, enters reports/data, handles fingerprinting, etc. Town Manager Wyatt commented that the Town has definitely seen the value of the position. Councilmember Paul Henkel asked if the Town is going to have to supply another person to issue passports once the Town can offer a secure area. Town Manager Wyatt replied yes, maybe 2 part-time personnel depending on community needs, or 1 part-time that could roll into a full time personnel. Councilmember Eddie Nau asked if SRO's are included in the salaries and wages. Finance

Director Mundy explained that SRO's full salaries are included in that line item but on the revenue side there is a line item showing that the Town will be reimbursement by the county in the amount of \$320,922. Councilmember George Harris asked if the budgeted salaries allow the department to get back to full staff allowing the SRO that was pulled from Troutman Elementary School to return next year. Chief Watson confirmed that it would and that he possibly could return before the end of the year depending on the training of the 2 new hires. A brief discussion was held regarding the inability to purchase vehicles from dealerships due to the lack of availability.

Street Maintenance Department

- **Salaries & Wages** – Finance Director Mundy explained that in Street Maintenance, ½ of the Public Works Department salaries, (with the exception of the Service Technician Randy Galliher) is split between Street Maintenance Department and Maintenance-Utilities. (Requesting \$203,696 an increase of approximately \$40,000.)

Major budgeted changes are as follows:

- **Utility Streetlights** – Requesting \$50,000; an additional \$2000 above current budget due to rising cost and growth.
- **Departmental Supplies** – Requesting \$12,700; an increase of \$7,700 also due to rising cost.
- **Street Sweeping** – Requesting \$40,000; an increase of approximately \$8,000 due to additional sweeping services and conversations of possible sweeping at Exit 42. (Street sweeping takes place monthly.)
- **Contracted Services** – Proposing \$15,000; an increase of \$6,000 above current budget (this line item includes \$8,000 for snow removal, \$500 for the Powell Bill, and the additional \$6,000 is for minor repairs to curbs and sidewalks.)

Councilmember Eddie Nau expressed that he feels that McCoy's is not doing an adequate job in street sweeping and that the Town is paying for substandard service. Mayor Young asked if there are other companies the Town could consider. Public Works Director Adam Lippard replied that there are and he would be glad to look into cost comparisons. He agreed that the sweeper McCoy's is using is old basic unit and it is a dry sweeper, not a wet sweeper. There are units out there that can do a better job. He himself has not seen any issues, but he will address with McCoy's if he does. Mr. McCoy assured Mr. Lippard that he would deal with a previous complaint regarding employees being on the phone. Town Manager Wyatt informed Council that McCoy's has been providing leaf and limb and street sweeping services for 10-12 years and has never went up on rates and that the equipment is not capable of doing the job that a wet sweeper would perform. He advised Council that if the Town takes out one service, be prepared to renegotiate all other services because it would no longer be a package deal. He explained that McCoy's will not run brushes if debris is not seen because it causes a dust bowl and in some instances water could create a worse mess. Councilmember Felina Harris commented that even if the Town went with a new company, they could see the same results, for more dollars. Council agreed they would like to see what else is out there requesting quotes for all three services.

Sanitation

- **Leaf & Limb** – Requested \$105,000; remaining the same as current year.
- **Garbage Pickup** – \$10,000 increase making requested amount \$160,000 in order to keep up with growth/additional customers.
- **Recycling** – Requesting \$90,000; an increase of \$10,000 from previous budget in order to keep up with growth.

Town Manager Wyatt responded to a question from Councilmember Eddie Nau regarding the \$1.80 recycling fee listed on his water bill and there not being a fee for garbage. Town Manager Wyatt explained that as part of the Town's statutory obligations, a municipality cannot charge for garbage pickup. The expense comes out of Ad Valorem Taxes just like police safety/protection. Recycling is considered an optional service and can charge for that service. He continued by stating that staff is proposing to charge \$7.64 for recycling and leaf & limb combined because the Town is losing money. Councilmember Nau requested to round it up to \$8.

Councilmember Paul Henkel agreed. Councilmember Eddie Nau asked if a resident has two cans are they charged for the second can. Mr. Mundy responded yes, the charge is \$6.07 per month.

Councilmember George Harris asked what the General Fund Revenue Refuse Collection Fee line item of \$3,500 is for. Finance Director Mundy stated that he is not sure and will have to look into it. Councilmember George Harris voiced that street sweeping should not be considered as a user fee. Going from \$1.80 up to \$7.64 is a big jump along with water bills going up. Mayor Young explained that the Town needs to somehow recoup the cost of services provided. The fees have to be accounted for by either in Ad Valorem Taxes or a user fee. Town Manager Wyatt advised that this is the year that Council considers any increases due to next year being a re-evaluation year.

Mayor Young left the meeting at 10:25 a.m. Mayor Pro Tem Paul Henkel presided over the meeting in Mayor Young's absence.

Mayor Pro Tem Paul Henkel proposed that staff present to Council for consideration both options in the budget: as an increase in Ad Valorem Taxes (if so how much) or as a user fee. Councilmember George Harris reiterated that he feels raising Ad Valorem taxes is not valid, but if Council wants to charge a user fee, charge it based on something everyone uses which is garbage and \$5 would cover that cost. Councilmember Paul Henkel stated he is leaning toward a user fee line item. Following continuing discussion Councilmember Jerry Oxsher asked how did it the deficit go unnoticed/unchecked/unaddressed. Finance Director Mundy commented that he does not know if it was unnoticed or not. It could have been that the Town's finances was in good enough shape that the Town could stand it, but as the Town grows more positions will be needed. Staff size is probably the same as it has been for the last 10 years or so. Town Manager stated that population has increased 45% but staff has not.

Town Manager Wyatt stated that from discussion, he heard that Council would like staff to prepare on Ad Valorem Tax option and a user based option along with several variables of each and present back to Council. Councilmember Jerry Oxsher stated he would like options from staff. Councilmember Paul Henkel suggested staff provide options for line item user fees only. Councilmember George Harris agreed that a user fee line item is best option based on garbage charging \$5 per household which would cover it. Councilmember Nau stated that the Town has to be transparent and apologetic to the citizens. Councilmember Felina Harris agreed to a line item user fee charging no more than a flat fee of \$5 agreeing that the Town needs to be apologetic and transparent but we have to fix it. Town Manager Wyatt stated that statutorily speaking, if Council chooses to "label" it garbage, it cannot be charged as a user fee; it would have to be charged through property taxes.

Administration-Utility

Financial Director Mundy stated that there are not many changes from previous year.

- Salaries & Wages – explained that ½ of the salaries of the Town Manager, Finance Director, and the two front office positions come from this line item. The remainder of these salaries come out of the General Fund.
- Bank Service Charges – Proposing a slight increase of \$5,000 (requesting \$40,000) due to an increase in account activity.

Capital Items-Utility

- Purchase of Sewer Capacity – Requesting \$233,220 for purchase of sewer capacity in case the Town has to purchase an additional block from Mooresville explaining that each time the Town gets to 75,000 gallons per day, another block has to be purchased.
- Capital Outlay Equipment – Requesting \$135,000 for the purchase of 2 new trucks for public works as well as a mobile hydraulic unit, additional grounds trailer and a front end loader. Still waiting on the new Jetter truck.

Town Manager Wyatt stated that a new 4 seater-extra length RTV (Kubota) has been purchased and is to be delivered today. The old one was sold on GovDeals receiving \$800 less than the Town paid for it 8 years ago. New lawnmowers were ordered in January but have not been received.

- Contingencies – Zero Dollars proposed. Public Works Director Lippard explained that there are no dollars proposed in contingencies under Capital Items-Utilities because most of the departments equipment needs is now under Maintenance-Utility M&R Equipment line item.

Maintenance-Utility

- M&R Equipment – Requesting \$65,000; a line item increase of \$20,000 from current year budget. Public Works Director Lippard stated that all the Town's sewer pumps and pump stations along with all their repairs and/or replacement fall under this line item.
- Salaries & Wages – Proposing \$263,472; a line item increase of approximately \$45,500 for an additional Public Works employee. Public Works salaries are split between this fund and the Street Department.

Town Manager Wyatt stated that Public Works Director Adam Lippard will be transitioning to Town Hall once the Planning Department moves into the Planning House. Austin Waugh has been promoted to crew leader.

- Departmental Supplies – Requesting \$50,000; a line item increase of \$13,000 from current year due to the continued increase in cost.
- Water Meter Supplies – Proposing an increase of \$5,000 from previous requested \$65,000 due to continued growth, cost increase and new water meter change out program (cost per meter-\$400.)
- Water Purchased – Requesting \$600,000; a line item increase of \$150,000 from current year due to a 7% water rate increase from Energy United and as the Town grows with more houses being built and people moving in, more water is used.

Discussion was held regarding Town Manager Wyatt stated that this will be the 6th increase from Energy United. Energy United's cost has increased 10.2% over the last 5 years; 17.2% including this 7% increase without the Town imposing a rate increase. He continued to state that all total in the last ten years there has been a 25% increase from Energy United with the Town only going up once 1.5%. This increase has been passed to Energy United from the City of Newton. Manager Wyatt stated it is up to Council where we go from here suggesting a 20% increase in water rates (approximately \$3 more a month.) The suggested 20% is not included the proposed budget. Councilmember Paul Henkel commented that everyone needs to face reality and do all increases at one time and get it over with. Council members were in agreement that the Town has to address such issues and cover the increases in cost/services.

Break for lunch (12:00 pm)

Reconvene the Budget Workshop. (1:15 pm)

Parks and Recreation

- Salaries & Wages – Requesting \$117,548; increase in funding of approximately \$16,000 for additional full time personnel.
- Special Events – Increased approximately \$7,000; requested amount of \$30,000; moved funds from Park Upgrades line item in order to continue to offer events of which citizens really seem to enjoy.
- Park Upgrades – Proposing a decrease of approximately \$15,000; requested amount \$25,000 of which \$5,000 may go toward new holiday décor and the remaining \$20,000 toward true park upgrades.
- Contracted Services – Requesting \$10,000; a line item increase of \$9,000 for events such as sports camps, road races, etc., in efforts of having a more efficient tracking system.

Discussion was held regarding FICA, group insurance, and retirement expense and how the numbers are determined. Finance Director Mundy stated that he tried to estimate around 18% to 20% for every department. Councilmember Eddie Nau commented that one way the Town can be proactive is by offering an intern program; maybe 2 Parks and Rec. interns for the summer. He also expressed that he would like to see more events in the park such as "Party in the Park". Town Manager Wyatt addressed sponsorships of events advising that the profits from the event went to the sponsor versus the Town. He explained that in order to sell alcohol the sponsor involved has to be a non-profit with a 501C. He also spoke of other community and business events in which staff has stepped up and participated. Manager Wyatt advised Council that the Town can have a Party in the Park and that there is already a plan in place for one in the near future. Manager Wyatt will confirm and send out an email. A lengthy discussion was held regarding local non-profit organizations and the re-establishment of such organizations.

Councilmember Paul Henkel asked the status of the proposed concession stand and light at the ballfields. Finance Director Mundy stated that in "Transfer to Other Funds" the \$325,000 budgeted in FY 2022 will roll over along with an additional request of \$325,000 in the upcoming budget FY 2023 to cover increases in cost for the concession stand and for lighting. Town Manager Wyatt stated that the Town has received a quote for a Huba Lighting System in the amount of \$185,000 plus an extra \$40,000 for LED lights just for the ballfields only. Staff has met with a second company (Musco-a national company) but has not yet received a quote commenting that it will not be cheap but the Town will not beat the service or lighting. He informed Council that the Troutman Rotary Club has agreed to sponsor the scoreboards, but for scoreboards to be installed there has to be lights and electricity. Manager Wyatt continued by providing in detail the service/capabilities and warranty that Musco can offer. He advised that Musco offers a 10 year payment plan but does not know the interest rate (Manager Wyatt to check interest rate.) Council was in agreement to not piece mill the project; do it all and do it right. Manager Wyatt informed Council that Jan Comer is going to try to get sponsorships through several vendors.

Planning and Zoning:

- Salaries & Wages – Proposing \$174,064 for two full time personnel in Planning and Zoning an increase of approximately \$70,000. Offset by Contracted Services (see decrease in Contracted Services line item.)
- Professional Services – Requesting \$100,000; an increase of \$10,000 from current year due to the volume of work from West Consultants and anticipated increase in the volume of work due to continued growth.
- Telephone Expense – Requesting \$6,300; an increase of \$4,800 due to fiber from Spectrum to the Planning House.
- I/T Expense – Requesting \$18,500; an increase of \$15,500 from current year budget for a one-time \$15,000 licensing software fee for an online permitting system with an annual fee of \$300.

Planning Director Lynne Hair elaborated regarding the system stating it will be a great benefit allowing the general public to do permits, allow for processing of those applications, and pay the fee. She stated that she would like to have a kiosk or computer for the lobby available for the general public to access for permits and general searches. Rezoning's and annexations will still be processed in house. Town Manager Wyatt commented that he too likes the idea of a kiosk in the lobby stating that it would be a true kiosk and not a work station.

- Special Projects – Requesting \$0; \$40,000 from this year's budget will be rolled over into the upcoming FY as the match for the new Mobility Study Grant.
- Contracted Services – Line item decreased approximately \$65,000 from \$125,000 to \$60,000 to continue with the contracted service of Code Enforcement (\$30,000), Transportation Consultant (\$25,000), and Bike Ped local match (\$5,000).

A brief discussion was held regarding future expectations in a Code Enforcement with enforcement not only being complaint driven, but also being pro-active and reactive with possibly making it either a full or part-time position. Cost to hire a full time Code Enforcement Officer would be approximately an additional \$40,000 that

would include not only wages but other employee benefits and the cost of a vehicle. Town Manager Wyatt briefly explained the process regarding Code Enforcement. Planning Director Hair stated that in hiring a Code Enforcement Officer it takes finding the right person/personality who is experienced, self-motivated, organized, patient and not afraid to get their toes stepped on. Ex-military are usually good in this position. She continued to state that enforcement is not always black and white nor is it an overnight gratification; it takes time. Councilmember Paul Henkel expressed that he feels the Town is ready for and in need of a full time Code Enforcement Officer and if the Town can do it, then let's do it right and quit kicking the can down the street as in years past. Councilmember Jerry Oxsher agreed with Councilmember Paul Henkel that a full time Code Enforcement Officer be included in the proposed final budget. No opposition was voiced by the remaining Council members.

- Departmental Supplies – Proposing a decrease from \$18,000 to \$12,000.

Town Manager Wyatt stated in general, staff is recommending a 10% salary increase for current Police Department personnel, and recommending for all other employees a 6% increase. He shared that staff decided on the proposed percentages following conversations with other municipalities and the county in regards to increases. Manager Wyatt advised that as we continue to study options, staff may come back with a merit request. He also advised that three employees are maxed out in salary according to the scale and would not receive the increase. Councilmember Paul Henkel asked if the scale needs to be adjusted. Manager Wyatt replied that staff can send that to Council for consideration but two of those employees were at one time promoted to a supervisory position and once demoted that increase in salary was never taken away.

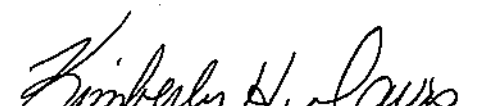
OTHER:

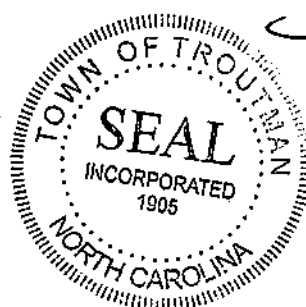
Councilmember Eddie Nau asked Planning Director Hair if zoning permit and planning review fees are set by the state or does the Town set the fees. Ms. Hair stated Council sets the fees and she feels that fees are something that should be reviewed because our fees are low and that it could be put into the budget. She stated that it is important to make sure we are covering our expenses such as administrative fees and advertising fees. Councilmember Nau agreed that the fees should be increased. Councilmember Jerry Oxsher asked if the Town is charging enough in park rentals fees. Manager Wyatt responded no and neither is the rental fee for the Council Chambers, and currently fees are not covering employee cost. The employee definitely needs to be compensated. Councilmember Jerry Oxsher commented they should be comparable to our neighbors. Councilmember Paul Henkel asked that staff include proposed fee increases in the final proposed budget.

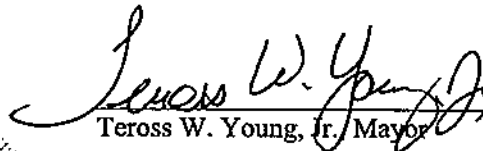
Council was in agreement that staff present the final proposed budget at their Agenda Briefing in May. The Public Hearing will be held at Council's regular scheduled meeting in June.

ADJOURNMENT

Upon motion by Councilmember George Harris, seconded by Councilmember Felina Harris, and unanimously carried, the May 11, 2021 Budget Workshop was adjourned at 3:30 p.m.


Kimberly H. Day, Town Clerk




Teross W. Young, Jr., Mayor