

## APRIL 12, 2021 (RECESSED MEETING AND FIRST BUDGET WORKSHOP)

Minutes of the recessed meeting and first budget workshop of the Mayor and Board of Commissioners of the Town of Elkin, April 12, 2021, 5:00 p.m. at Town Hall.

Present: Mayor Sam Bishop, Commissioners Cicely McCulloch, Robert Ball, Jeff Eidson, Will Gwyn and Tommy Wheeler.

Also present: Town Manager Brent Cornelison, Assistant Town Manager and Director of Recreation and Parks Adam McComb, Finance Director Dina Reavis, Public Works Director Travis Butcher, Police Chief Monroe Wagoner, Fire Chief Kevin Wilson, Economic Development/Planning Director Leslie Schlender, Town Attorney Raymond Parker and Town Clerk Cathie Tilley.

### 1. *Call to Order (Mayor Bishop)*

- Welcomed everyone and reconvened the recessed meeting.
- Turned the meeting over to Town Manager Cornelison
  - o Town Manager Cornelison:
    - Spent lot of time with department heads putting this together.
    - Received a request after Board Retreat from YVEDDI for \$15,000.
      - Consensus of the Board was to not fund this request.

### 2. *Summary of General Fund and Water Fund (Town Manager Cornelison)*

- Water Fund:
  - o Revenues - \$1,457,634
  - o Expenditures - \$1,376,674
  - o Revenue (Shortfall) Overage - \$80,960
    - Does not include West Elkin tank
    - Should be less than this figure, so we will know what we will need in the next fiscal year
    - Might come down twenty-five to thirty thousand dollars (\$25,000-\$30,000)
  - o John and I had discussed paying the Public Works Director one-half from the Water Fund and one-half from the General Fund
    - This is how that position will be paid going forward
  - o Ronda:
    - Includes increasing rate to \$7.00
      - Result will be an increase of \$23,000
    - Have not heard anything from their study (analyzing Elkin taking ownership of their water system and Elkin providing contract operation and maintenance services)
  - o No debt service for West Elkin project in these figures
- General Fund:
  - o Revenues - \$5,573,713

- Expenditures - \$5,562,962
- Revenue (Shortfall) Overage - \$10,751
  - In discussions, staff was asked about a targeted number for the town's Fund Balance.
    - Staff believes fifty percent (50%) is a reasonable target figure, and we will continue to work toward that amount.
- Tax Rate Necessary to Have Zero Balanced Budget:
  - Projected tax base (net) incl. motor vehicles - \$502,877,604
  - Every one cent in tax rate equals - \$50,288
  - Increase (decrease) in tax rate to balance budget – (\$0.002)

### 3. Capital Request Included

- Priorities from Board totaled \$140,000
- Finance:
  - Server hardware/software upgrade - \$ 12,500
- Economic Development:
  - Gateway sign - \$25,000
- Police Department:
  - Walkie talkies - \$6,888
  - In-car radios - \$12,321
  - In-car computers - \$9,000
  - Duty weapons - \$20,000
- Fire Department:
  - New station design - \$7,000
- Recreation and Parks:
  - Parking lot repave & stripe (Rec Center and drive) - \$64,000
- Airport:
  - Matching capital projects for grants - \$16,667
- Water & Sewer:
  - High service pump replacement - \$60,000
- Total Capital Outlay Budgeted - \$233,376

### 4. Departmental Cuts

- Finance:
  - Server hardware/software upgrade - \$12,500
- Economic Development:
  - Heritage Center It Starts with a River - \$22,000
- Public Buildings:
  - Library parking paving - \$10,000
- Fire Department:
  - Edraulic strong arm tool RAM - \$32,000
  - Lucas CPR machine - \$17,000
  - SCBA (air packs) - \$17,200
  - SCBA bottles - \$3,000
  - Sets of turnout gear - \$27,500
  - Camper shell - \$2,500
  - 800 mobile radio - \$2,200

- VHF mobile radio - \$1,500
    - Radio console - \$3,500
    - Emergency lights - \$5,000
    - New station design - \$7,000
  - Streets and Highways:
    - John Deere backhoe - \$110,000
    - Chipper - \$30,000
  - Recreation and Parks:
    - Baseball/softball field #1 re-lamp - \$30,000
    - Gator - \$11,000
    - Columbarium - \$25,000
    - Water Plant cistern/stirring tank removal - \$85,000
    - Fitness equipment - \$10,000
  - Total Departmental Cuts - \$463,900
5. Insurance and COLA/Merit Raises Included:
- Cut \$30,000 from part-time salaries in the Fire Department
    - This will probably continue to go down
  - Will split Travis' salary
  - Adam (McComb) cut 25% off his programs
  - Police Department cut \$4,000 from operating expenditures
  - Budgeted:
    - Ten percent increase in health insurance
    - Average 3% merit increase
      - Will be 2 – 2.5%
6. Property Tax:
- Expecting 1.6% growth in tax base
  - Budgeted property tax revenue - \$2,572,522 (using current tax rate of \$.55/\$100 valuation)
7. Next Steps:
- Revenue and expenditures depend on insurance and property tax
    - Either of these could change
  - Will bring to you in May the budget message and proposed budget
  - Will set public hearing in June to adopt the budget
  - Water Fund numbers will come down
  - Powell bill budgeted \$105,000
8. Recovery Act Funds:
- We have 1.17 million dollars coming to us
  - Provided a sheet with information on how to spend these appropriations (copy included as Exhibit A)
    - Read through the uses of funds
  - Following discussion, there was recommendation from staff to set up a Special Recovery Fund
    - Once we get a better idea of what we can use these funds for, set aside a work day to decide what we want to spend this on
  - Town Manager Cornelison suggested spending this on big ticket items


- Before we make decisions, we need to have a better idea of what we can and what we cannot spend this money for

Mayor Bishop said we need to go into closed session in accordance with NCGS143-318.11(3) legal. Commissioner McCulloch made a motion to go into closed session as requested. There were no questions. Upon a second by Commissioner Gwyn, the Board went into closed session at 5:30 p.m.

The Board returned to the recessed meeting (budget workshop) at 5:50 p.m. Mayor Bishop reconvened the meeting. There being no further business, a motion by Commissioner Wheeler to adjourn was seconded by Commissioner McCulloch and was unanimously approved. The meeting adjourned at approximately 5:50 p.m.

  
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Sam Bishop, Mayor

Attest:

  
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Catherine C. Tilley, Town Clerk