

## APRIL 27, 2022 (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 27, 2022, noon at the Heritage Center.

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, Police Captain Josh Tulbert 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 who gave a brief introduction of what we would see and hear.

### 2. Summary of Proposed 2022-23 General Fund and Water Fund

- Water Fund:
  - o Revenues - \$1,488,449
  - o Expenditures - \$1,611,284
  - o Revenue (Shortfall) Overage – (\$122,835)
- General Fund:
  - o Revenues - \$5,888,576
  - o Expenditures - \$6,445,830
  - o Revenue (Shortfall) Overage – (\$557,254)
  - o ARP Funds - \$1,278,295
  - o Balance - \$721,042
- Tax Rate Necessary to Have Zero Balanced Budget:
  - o Projected tax base (net) incl. motor vehicles - \$517,880,748
  - o Every one cent in tax rate equals - \$51,788
  - o Increase (decrease) in tax rate to balance budget – \$0.108
- Comments from Town Manager:
  - o ARP is frowning on any increases in water or taxes when requesting ARP funding.
  - o ARP funds can go back into the General Fund.

### 3. Capital Requests

- Priorities determined by Board:
  - o Economic Development
    - Heritage Art Center – It Starts with a River - \$35,000
    - Pave trail at HC - \$17,000
    - Ext. info pods at HC trail - \$12,000
  - o Streets and Highways
    - E. Main St. alley parking - \$78,850
  - o Recreation and Parks

- Parking lot repave (tennis/baseball) #3 - \$43,000
  - Parking lot repave (tennis/pool/playground) #2 - \$55,000
  - Parking lot curb - \$85,000
  - Parking lot stripe - \$18,000
  - Crater Park pickleball courts – Funded
  - Tennis court crack repair and paint - \$27,000
  - Pool re-plaster - \$145,000
  - Parking at Dog Park - Funded
- Other items included:
  - Finance
    - Phase II server upgrade software - \$14,550
  - Police Department
    - Portable radios - \$6,888
    - Mobile in-car radios - \$12,321
    - Mobile in-car data terminals (computers) - \$9,000
    - MP5's, mounts, sights (submachine guns) - \$3,000
  - Fire Department
    - Emergency lights and equipment - \$5,000
    - Portable radio - \$16,000
    - Wireless headsets - \$5,000
    - SCBA bottles - \$12,800
    - Turnout gear – ballistic vest - \$10,000
  - Streets and Highways
    - Brush chipper - \$55,000 (will save town money)
    - Lawn mower (half) - \$6,000
    - Leaf truck chassis - \$50,000
  - Powell Bill
    - Lawn mower (half) - \$6,000
    - Snow plow and spreader - \$25,000
  - Recreation and Parks
    - Park utility vehicle (Gator) - \$14,000
    - Park maintenance mowing equipment - \$15,000
      - These two items will be used by more than one department.
  - Airport
    - Matching capital projects for grants - \$16,667
      - This is our yearly match.
  - Water and Sewer
    - High service pump replacement - \$75,000
    - Valve actuator replacement - \$90,000
    - Backwash pump and controls - \$85,000
      - Will not get the Water Plant totally up to speed, but will be much better.
      - Reminded Board that the town will be receiving additional reimbursement funds from the Sewer Authority,
- Health Insurance:
  - Budgeted 10% increase

- Actual increase is 6%
- Crater Park Upfit:
  - At our retreat, Adam (McComb) talked about:
    - Possible funding from a 50-50 match PARTF Grant and/or paying for a conceptual drawing (cost - \$32,000).
    - Spray Pad (1,000 sq. ft.; cost \$136,000; no filtration).
  - There is funding through the NC Parks and Recreation Trust Fund (Accessibility for Parks Grant)
    - Grant amount will be \$328,818.
    - Budget amendment - \$14,000 from Fund Balance.
      - Will cover costs for preparation and application for this grant for a new Splash Park.
  - If the Board is interested in using COVID funds to do this, staff can bring a Budget Amendment to the May BOC meeting.
  - Following discussion, staff was instructed to bring a budget amendment to our next meeting for this project.
- Special Appropriations:
  - Reminded the Board that these requests were now included in the town's line-items as follows:
    - Fire Department:
      - Rescue Squad - \$5,000
    - Recreation Department:
      - Elkin Valley Trails Association - \$0.00
      - Foothills Arts Council - \$9,000
      - Foothills Arts Council – Foothills Theater - \$5,000
      - Explore Elkin Fireworks - \$10,000 (added as a line-item last year)
  - The above amounts will be budgeted each year for these organizations.
    - If funding above these amounts is requested, a representative from that group will have to present their request before the Board of Commissioners for consideration.

#### 4. General Fund FY 2021 Expenditures

- Governing Body - \$52,307
- Administration - \$224,952
- Finance - \$343,960
- Legal - \$23,847
- Planning and Zoning - \$135,990
- Main Street - \$94,934
- Economic Development - \$220,024
- Public Buildings - \$78,650
- Police - \$1,729,159
- Fire Department - \$629,603
- Garage - \$77,851
- Streets - \$626,915
- Powell Bill - \$126,000

- Sanitation - \$301,513
- Recreation - \$1,214,093
- Elkin Public Library - \$83,500
- Cemetery - \$27,320
- Airport - \$251,767
- Debt Service - \$0.00
- W&S Contribution - \$0.00
- Non-departmental - \$203,445
  - o TOTAL - \$6,445,830

5. Water Fund FY 2021 Expenditures

- Debt-Service - \$195,472
- Non-Departmental - \$86,410
- Admin and Billing - \$88,616
- Water Department - \$1,240,786
- Provision for Net Asset - \$0.00
  - o Total - \$1,611,284

6. General Fund FY 2021 Revenue Sources

- Current Year Property Taxes (Incl. MV) - \$2,828,147
- Prior Year Property Taxes and Penalties - \$1,500
- General Fund Interest on Investments - \$3,500
- Garbage and Recycling Fees - \$334,000
- Recreation Revenue - \$218,750
- ABC Revenue - \$109,000
- Intergovernmental Revenue - \$20,600
- Utility and Cable Franchise - \$392,500
- General Fund Other Revenues - \$400,579
- Powell Bill Revenue - \$130,000
- Sales Tax Revenue - \$1,450,000
- Appropriated Fund Balance - \$0.00
  - o Total - \$5,888,576

7. Water Fund FY 2021 Revenue Sources

- Water Charges - \$1,324,074
- Connection Fees - \$5,000
- Water Fund Interest on Investments - \$3,000
- Sales Tax Refund - \$17,000
- Water Fund Other Revenue - \$52,700
- YVSA Sewer Debt Reimbursement - \$86,675
  - o Total - \$1,488,449

8. Property Tax

- Current 2022 Tax Base (not including MV) - \$476,441,460
- Projected 2023 Tax Base (not including MV) - 485,794,433
- Growth (decrease) in Tax Base - \$9,352,973 (2% growth)
- Current 2022 Tax Revenue (including MV) - \$2,701,889
- Projected 2023 Tax Revenue (including MV) - \$2,828,147
- Increase (decrease) in Tax Revenue - \$126,258 (4.7% increase)

## 9. Governing Body Salaries

- Mayor and commissioners receive an increase each year.
  - o Current annual salaries:
    - Mayor – \$5,022
  - o Commissioner's - \$2,961
    - Total - \$19,827
  - o Projected FY 2022 salaries w/5% COLA
    - Mayor - \$5,273
    - Commissioner - \$3,109
      - Total - \$20,818
  - o Town Attorney annual salary - \$16,231
    - Projected FY 2022 salary w/5% COLA - \$17,043

## 10. Summary

- Board priorities total - \$515,850
- Health Insurance – 6% increase
- COLA/Merit – 5% COLA; 2% Merit (overall 6.6% increase)
- Waste Management Contract – 33% increase (\$282,520.00)
- Increase User Garbage Fees
  - o Residential – increase \$1 from \$8 to \$9
  - o Commercial – increase \$2 from \$8 to \$10
- Water Plant Op & Maintenance Contract – 6% increase for O&M, 5% increase for tank maintenance (\$442,000.00)
- No water rate increase
- No tax rate increase
- Appropriate GF Fund Balance - \$557,254.00
- Appropriate WF Fund Balance - \$122,835.00
- Transfer from ARP GPF to GF in FY22 - \$639,147.73

## 11. Discussion

- Town Manager Cornelison told the Board they had seen a quick summary of the proposed budget. Asked for questions or discussion. The following topics were discussed:
  - o Staffing Situation:
    - Stated that luckily, we do not have much turnover with our employees.
  - o Water Tap Fees:
    - Most taps are new businesses.
    - Whether commercial or residential, the costs are the same.
    - The only newly proposed fees are the ones mentioned earlier in the presentation.
    - There was much discussion about flat fees.
  - o Water Cut-offs:
    - Have a problem with residents who go out of town for six months of the year and want their water cut off for that

amount of time because they do not want to pay for water when they are not using any.

- Much discussion ensued regarding charges for disconnecting and reconnecting water.
- Special Situations:
  - Gave the water leak at the school as an example.
    - The leak is on their side of the meter.
    - Will be several weeks before they can get someone to come out to do repairs.
    - We could go out there and fix it in special circumstances and charge for our work.
    - We can help sometimes in certain situations.

12. Timeline:


- May – Budget Message
- June – Public Hearing
- June – Adopt Budget Ordinance
- End of June – Final Budget Amendments

12. Updates:

- Electronic Gaming Situation
  - Will hear from the Planning Board on this at our May meeting

Mayor Bishop thanked staff for all they do.

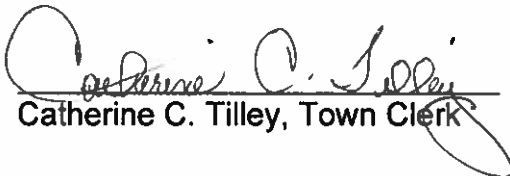
There being no further business, a motion by Commissioner Gwyn to adjourn was seconded by Commissioner McCulloch and was unanimously approved. The meeting adjourned at approximately 12:45 p.m.



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Sam Bishop, Mayor

Attest:



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Catherine C. Tilley, Town Clerk