

MAY 7, 2019 (RECESSED MEETING AND BUDGET WORKSHOP)

Minutes of the recessed meeting and budget workshop of the Mayor and Board of Commissioners of the Town of Elkin, May 7, 2019, 3:00 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 Recreation and Parks Director Adam McComb, and Town Clerk Cathie Tilley, Police Chief Monroe Wagoner, Interim Fire Chief Kevin Wilson, Economic Development/Planning Director Leslie Schlender, Public Works Director Robert Fuller, Finance Director John Holcomb and Lori Dexter. (Not attending: Town Attorney Raymond Parker)

Mayor Bishop reconvened the recessed meeting and made the following comments:

- Thanked Police Chief Wagoner and Interim Fire Chief Wilson for everything they did during the past month.
- Brent met with DOT and they have agreed to install signs on Elk Spur Street and are looking at lowering the speed limit on CC Camp Road.
- Met with local officials regarding the School Board issue (school board elections becoming partisan).
 - o Everyone appreciates our leadership role in that matter.
 - o Other towns followed our lead.
 - o All three schools agree with us.
 - o Others are continuing to oppose this issue.
 - o We hope it does not happen.
- People are saying that whatever we are doing in Elkin, we are doing it right.
 - o Believes the key is listening to our staff.
 - Department heads discuss matters with Brent.
 - Everyone sticks together when coming to the Board.
 - Other towns do not do this; they are pulling in different directions.
 - We have a strong staff.

Mayor Bishop turned the meeting over to Town Manager Cornelison who presented the following:

- I have one item before moving onto the budget.
 - o Robert (Fuller) got back final bills, and we have money in the Powell Bill Fund to pave and curb and gutter sidewalk around town hall parking lot (\$43,000.00).
 - o Would like to do it now before DOT starts paving North Bridge Street.
 - o We need to make a quick decision.
 - o This is the best time to do this work.

- Commissioner Wheeler made a motion to do the abovementioned work going from the parking lot driveway on North Bridge Street to the other parking lot driveway on Market Street. Following discussion, Commissioner McCulloch seconded the motion. The motion was unanimously approved.
- Moving onto the budget, Manager Cornelison thanked the department heads for keeping their budgets realistic.
- Referenced Project Sheet from Retreat and discussed the top five projects as scored by the Board:
 - Using Powell Bill money to complete Standard Street
 - Generator for water plant
 - Finish exterior parking areas at Heritage Center
 - Increase pay at .25% for 2 years for years of service and 2% COLA
 - Contracting downtown area maintenance
- Discussed revenues and expenditures for the General Fund and the Water Fund.
 - Tried not to use Fund Balance.
 - Insurance for employees increased 24%.
 - This seems to be normal.
 - Looked at other companies.
 - Considered going with a different policy.
 - Did not want to penalize our employees.
 - Rate increase from Waste Management.
 - Funds included for:
 - Some special events
 - Some capital items
 - Special appropriations as directed during retreat
 - Reminded everyone that fireworks were moved to Adam's budget, and appropriation for Surry EDP was moved to Leslie's budget
- ABC Board will write a check to Elkin and Jonesville for \$75,000.
 - Elkin will keep 75% of these funds (\$56,250)
 - These funds can be used for several things.
 - Following discussion, there was consensus among the Board for staff to come up with recommendations for Board consideration.
 - Will do a budget amendment when the time comes.
- WATER FUND:
 - Revenues - \$1,569,476
 - Expenditures - \$1,476,657
 - Revenue Overage - \$92,819
 - Includes YVSA debt reimbursement and \$50,000 contribution to Water Fund Capital Reserve Fund
- GENERAL FUND:
 - Revenues - \$5,282,194
 - Expenditures - \$5,263,740
 - Revenue Overage - \$18,454

- Includes \$5,000 contribution to Recreation Capital Reserve Fund
 - Increase (decrease) tax rate necessary to have zero balanced budget in General Fund
 - Projected tax base (net) – incl. motor vehicles - \$492,743,521
 - Every 1 cent in tax rate equals - \$49,274
 - Increase (decrease) in tax rate necessary to balance budget – (\$0.004)
 - Next year will be the last year of the PGW incentive.
 - We will be in better shape next year.
 - Not proposing any tax rate increase or water rate increase.
- The long and short of our operating budget is that we have the top five priorities as requested by the Board in the budget and will have some money back in Fund Balance.
- We remain conservative with our revenues.

Mr. Holcomb presented the following:

- Capital Reserve Funds:
 - Recreation Capital Reserve Fund
 - Contributing \$5,000 this year
 - Total - \$30,000
 - Economic Development Capital Reserve Fund
 - No contribution this year
 - Total - \$100,000
 - Water Fund Capital Reserve Fund
 - Contributing \$50,000 this year
 - Total - \$200,000
- General Fund FY 2020 Revenue Sources:
 - Taxes:
 - Still receiving updated scroll information.
 - Decrease in tax base is probably normal depreciation
 - Discussed five programs the town finances:
 - Day Camp
 - Pool Operations
 - Garbage
 - Leaf and Limb
 - Recycling
 - No proposed increase in these fees
 - Talked about some debt:
 - Fire engine and ladder truck
 - YVSA (much discussion)
 - Raw Water Project
 - Outside agencies that are funded
 - Waiting for updated figures from Surry County for PGW tax base

Town Manager Cornelison presented the following:

- Police Department:
 - Proposed one new car for the Police Department

- This might change
- Fire Department:
 - Turn-out gear
 - Try to fund a little each year
 - Door malfunctioned
 - Have an estimate to do the repairs
- Recreation and Parks:
 - Mowing equipment
 - Tennis equipment
 - Might have funding from FEMA coming to the park
- Water Plant:
 - Generator
 - Vehicle
 - Couple of vehicles parked under a shed were damaged when the snow storm caused the roof to collapse
- We have a lot of equipment needs, but have only included the ones that are high priority in the proposed budget.
- About every other year we do a water rate analysis.
 - Did not do one this year.
 - We are not proposing a rate increase this year.
 - Will look at rates next year.

DISCUSSION:

- Town Manager Cornelison and Commissioner Eidson:
 - Discussed the employee pay scales to make sure everyone understands what is happening.
- John Holcomb:
 - Happy with where we are both in the General Fund and Water Fund.
 - Water Fund is doing well even though we have new debt.
- Mayor Bishop:
 - Regarding possible funding from FEMA and YVSA:
 - Recommend we put these on hold and let staff come back with recommendations once we know how much funding actually comes to the town.
- Adam McComb:
 - We may need to have a discussion about the stream bank at Memorial Park Drive.
 - If we bring this area back to the standard where it was, it might be funded.
 - To make it where it will not happen again (make it better than before), we might have a 50-50 match.
 - We are meeting Thursday with FEMA.
 - They have been very helpful.
- Yadkin Valley Sewer Authority:
 - Additional discussion about the loan.
 - Mayor Bishop informed the Board that J. L. Lowe's term is up in June.

- We are going to be looking at putting a town commissioner on that board to replace Mr. Lowe.
- Hospital:
 - Commissioner Eidson asked what the Board was going to do about the hospital (the town paying for a table at the Wine Auction).
 - Mayor Bishop said we need to support the hospital and wants us to look at other organizations that help us financially.
 - Any organization we get financial support from, we need to support them.
 - Commissioner Eidson:
 - I am not comfortable paying with tax money for me to attend this function.
 - Do not think we should use taxpayer money to go to a party.
 - We should pay for that ourselves.
 - Mayor Bishop:
 - We pay dues to the Chamber of Commerce.
 - We need to support the hospital.
 - Manager Cornelison:
 - We have \$1,500 in the proposed budget for this item.
 - Commissioner Eidson:
 - I encourage everyone to go, but I think we should pay for ourselves.
 - Following discussion, this item was removed from the proposed budget.
- All department heads except Robert Fuller and Kevin Wilson were given the opportunity to leave the meeting.
- RONDA (Town Manager Cornelison):
 - Ronda has approached Elkin to take over their water system.
 - They want to get out of the water business.
 - Robert and Brent have talked to W.K. Dickson.
 - There is a grant coming up in September.
 - It looks at everything at no cost to the town.
 - Would give us a better percent chance of getting grants.
 - Recommend we do this study.
 - At next year's retreat, we will have more detailed information regarding this matter.
 - Robert Fuller agrees with this recommendation.
 - They want to give us this with no debt service.
 - Mayor Bishop said he had talked with Eddie Settle, and they want to expand sewer to their landfill.
 - Manager Cornelison said he, John (Holcomb) and Kevin (Wilson) can look at this along with the water study.
 - Bulk Water Rate:
 - Part of the agreement with Ronda should have been that they would go up on their water rates incrementally.

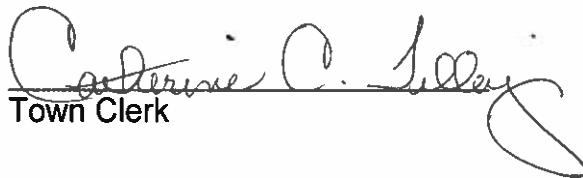
- Their rates would have been more than their citizens could afford.
- Recommend rates be left as they are now.
 - Do not increase until we get analysis back.
 - Make a decision then.
- By doing the water study, we will have better information next year to make a more informed decision regarding taking over their water system and how much to charge them.
- All Board members agreed on this.

There being no further business, a motion by Commissioner McCulloch to adjourn was seconded by Commissioner Gwyn and was unanimously approved. The meeting adjourned at approximately 4:00 p.m.



Mayor

Attest:



Town Clerk