

MINUTES – May 6, 2019

The Board of Aldermen of the Town of Gibsonville met at 7:00 pm for a regular meeting in the Town Hall. The meeting was called to order by Mayor Williams. Aldermen, Owen, Shepherd, Pleasants, and O'Toole were present. Ben Baxley, Town Manager, and Laurie Yarbrough, Town Clerk, were present. Police Chief Ron Parrish, Public Works Director Rob Elliott, Fire Chief James Todd, Planning Director Brandon Parker, Town Attorney Doug Hoy, Librarian Jessica Arnold several firefighters, and several residents were in attendance.

Invocation

Mayor Williams gave the Invocation.

Public Comments

Mayor Williams stated if anyone wanted to speak on the budget, they would need to speak in public comments and they would be given five minutes.

Paul Thompson, resident, stated he attended the budget retreat. He stated the Police Chief was asking for additional police officers. He stated he listened to the police scanner and he felt there was an increase in crime and calls. He stated the police department was understaffed.

Dan Baranik, Sullivan Ct. resident, spoke in favor of a pedestrian crossing at the railroad tracks at the old Cook Rd. crossing.

Mayor Williams asked Mr. Baranik to send him an email and he would ask that this be added to the next TAC agenda.

Marisa Shaffer, resident, stated she had received a letter from the town about no chickens in the city limits. She stated the town ordinance did not address poultry or fowl; only livestock and chickens were not livestock. She asked the board to resend the letter asking that here chickens be removed.

Mayor Williams stated this issue had come up several times and the board has taken the position that chickens are not allowed in the town limits. He stated the board would look at this at the agenda meeting.

Alderman O'Toole asked how were the chickens housed; permanent.

Mrs. Shaffer stated they were confined in a coup/pin not running loose.

Alderman O'Toole asked did they cause noise.

Mrs. Shaffer stated she had three hens, no roosters, there were very little noise.

Ivonne Maizeland, resident, stated she was a candidate for Alderman. She stated she also attended the budget retreat, she saw over spending and under spending; the police department under spent and was under staffed. She stated a reason to correct was the town's legal responsibility; she recommended they be given four fulltime officers.

Jamie Isley, resident, spoke in favor of the Link Transit. She stated she used Link Transit for her transportation and asked the board to keep Link Transit.

Beverly Ross, resident, stated a concern with the town funding Link Transit. She stated 6 to 8 persons a day used Link Transit; this was less than 1% of Gibsonville residents. She asked the board to redirect the Link Transit funds and use recreation vehicles for citizen transportation. She stated \$66,000 was spent annually on the Gibsonville Community

Center and this would be for 40 years; not including utilities. She recommended the town sell off excess property to offset the debt. She stated the 2020 budget included a police officer that would not be hired until January 2020. She stated concerns with water and sewer revenues and safety needs but do with no tax increase.

Approval of Agenda

Alderman Shepherd, seconded by Alderman O'Toole, made a motion to approve the agenda as amended. The motion passed unanimously.

Approval of Minutes

Alderman Owen, seconded by Alderman Shepherd, made a motion to approve the minutes of April 8, 2019. The motion passed unanimously.

Recognition of Firefighter

James Todd, Fire Chief, stated they would like to recognize Jeff Davenport for his 32+ years in the Gibsonville Fire Department.

Mayor Williams presented Jeff Davenport with a Certificate of Appreciation.

FY 2019 Budget Ordinance Amendment #8

Ben Baxley, Town Manager, sated the FY 2019 Budget Ordinance Amendment #8 was needed to account for allocation of Federal Drug Funds and loan proceeds for a new fire truck. He stated the new fire truck would be arriving in mid to late June.

Alderman Shepherd, seconded by Alderman Owen, made a motion to approve FY 2019 Budget Ordinance Amendment #8. The motion passed unanimously.

**TOWN OF GIBSONVILLE, NORTH CAROLINA
2019 BUDGET ORDINANCE AMENDMENT #8**

BE IT ORDAINED by the Board of Aldermen of the Town of Gibsonville, North Carolina, a meeting was held this the 6th day of May, 2019 that the following fund revenues and departmental expenditures together with certain restrictions and authorizations be amended.

SECTION I. GENERAL FUND

Anticipated Revenues	FY 2019	Amendment	FY 2019
	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Taxes, Current Year	2,795,000	-	2,795,000
Taxes, Prior Years	24,450	-	24,450
Motor Vehicle Tax	330,000	-	330,000
Penalties & Interest	10,000	-	10,000
Cemetery	12,000	-	12,000
Recreation	76,000	-	76,000
Sanitation Service Charge	288,000	-	288,000
Interest on Investments	8,000	-	8,000
Fire District Tax (Guilford)	14,400	-	14,400
Library	2,944	-	2,944
Transfer Perpetual Care	2,700	-	2,700
Sale of Fixed Assets	5,000	-	5,000
Guilford County Funds	55,500	-	55,500
Code Enforcement/Planning	8,000	-	8,000
Brush/White Goods Pickup Fees	1,500	-	1,500
Miscellaneous	30,291	-	30,291

GHA	2,340	-	2,340
Stormwater Fee	30,000	-	30,000
Solid Waste Disposal Tax	4,700	-	4,700
Intangible: Sales Tax (Alamance Co.)	875,000	-	875,000
Intangible: Sales Tax (Guilford Co.)	460,000	-	460,000
Utility Franchise	390,000	-	390,000
Beer & Wine	30,000	-	30,000
State Drug Funds	3,743	-	3,743
<i>Federal Drug Funds</i>	<i>91,857</i>	<i>10,325</i>	<i>102,182</i>
Powell Bill Funds	189,000	-	189,000
<i>Loan Proceeds</i>	<i>37,933</i>	<i>590,000</i>	<i>627,933</i>
Insurance Proceeds	2,610	-	2,610
Appropriated General Fund Balance	923,721	-	923,721
Appro'd Fund Balance - Powell Bill	205,000	-	205,000
Appro'd Revitalization Grant	115,119	-	115,119
<i>Total Anticipated Revenues</i>	<u>7,024,808</u>	<u>600,325</u>	<u>7,625,133</u>

Authorized Expenditures

	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
Governing Board	69,516	-	69,516
Administration	1,420,197	-	1,420,197
<i>Police</i>	<i>1,942,393</i>	<i>10,325</i>	<i>1,952,718</i>
<i>Fire</i>	<i>1,055,590</i>	<i>590,000</i>	<i>1,645,590</i>
Public Works Administration	199,308	-	199,308
Streets	867,117	-	867,117
Powell Bill	312,100	-	312,100
Sanitation	325,375	-	325,375
Recreation	651,234	-	651,234
Library	157,428	-	157,428
Cemetery	18,940	-	18,940
Contingency	5,610	-	5,610

Total Authorized Expenditures	<u>7,024,808</u>	<u>600,325</u>	<u>7,625,133</u>
	0		0
SECTION II. WATER & SEWER			
	<u>Current</u>		<u>Revised</u>
	<u>Budget</u>	<u>Increase/Decrease</u>	<u>Budget</u>
Anticipated W&S Revenues			
<u>Water Revenues</u>			
Water Service Fees	840,748	-	840,748
Tapping Fees	450	-	450
Meter Setting	10,000	-	10,000
Reconnection Fees	40,000	-	40,000
Loan Proceeds	37,933	-	37,933
Miscellaneous Revenues	13,644	-	13,644
Internet Convenience Fees	7,000	-	7,000
Retained Earnings Appropriation	<u>147,000</u>	<u>-</u>	<u>147,000</u>
Total Anticipated Water Revenues	<u>1,096,775</u>	<u>-</u>	<u>1,096,775</u>
<u>Sewer Revenues</u>			
Sewer Service Fees	2,103,033	-	2,103,033
Tapping Fees	550	-	550
Meter Setting	10,000	-	10,000
Reconnection Fees	40,000	-	40,000
Loan Proceeds	112,933	-	112,933
Miscellaneous Revenues	13,644	-	13,644
Internet Convenience Fees	7,000	-	7,000
Insurance Proceeds	<u>9,754</u>	<u>-</u>	<u>9,754</u>
Total Anticipated Sewer Revenues	<u>2,296,914</u>	<u>-</u>	<u>2,296,914</u>
Total Anticipated W&S Revenues	<u>3,393,689</u>	<u>-</u>	<u>3,393,689</u>
Authorized W&S Expenditures			
Water Expenditure	1,096,775	-	1,096,775
Sewer Expenditures	<u>2,296,914</u>	<u>-</u>	<u>2,296,914</u>
Total Authorized Expenditures	<u>3,393,689</u>	<u>-</u>	<u>3,393,689</u>

	-	-	-
SECTION III. PERPETUAL CARE FUND			
<i>Anticipated Revenues</i>	2,700	-	2,700
<i>Authorized Expenditures</i>	2,700	-	2,700
	-		-

SECTION IV. TAX RATE ESTABLISHED

An ad valorem tax rate of \$0.53 per \$100 at full valuation is hereby established as the official tax rate for the Town of Gibsonville for the fiscal year 2019. This rate is based on a total valuation of property of \$612,181,228 and an estimated collection rate of 97.25%.

SECTION V.

Charges for services and fees by Town Departments are levied in the amounts set forth in the Fee Schedule (See Attachment A).

SECTION VI. SPECIAL AUTHORIZATION - BUDGET OFFICER

- A. Budget Officer shall be authorized to reallocate departmental appropriations among various object of expenditures as he believes necessary.
- B. The Budget Officer shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated monies for the department whose allocations is reduced. Notation of all such transfers shall be made to the Board on the next succeeding Financial Report.
- C. He may make interfund loans for a period of not more than 60 days.
- D. Interfund transfers, established in the budget document may be accomplished without recourse to the Board.

SECTION VII. RESTRICTION - BUDGET OFFICER

- A. Interfund transfer of monies, except as noted in Section VI. Shall be accomplished by the Board authorization only.
- B. The utilization of any contingency appropriations shall be accomplished only with Board authorization.

SECTION VIII. UTILIZATION OF BUDGET ORDINANCE

This Ordinance Amendment and the Budget Document shall be the basis of the financial plan for the Gibsonville Municipal Government during the 2019 fiscal year. The Budget Officer shall administer the budget and shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget. The accounting section shall establish records which are consonance with the Budget and this Ordinance and the appropriate statute of the State of North Carolina.

Amended this the 6th day of May, 2019.

Attest:

Mayor of Gibsonville, NC

Town Clerk of Gibsonville, NC

FY 2020 Budget Presentation

Ben Baxley, Town Manager, presented the recommended FY 2020 Budget. He thanked the department heads, Finance Officer, and HR Officer for their help in preparing this recommended budget. He stated the Recommended FY 2020 Budget was balanced at \$10,024,718; this was a decrease of \$396,479 or 3.8 percent below the FY 2019 Budget of \$10,421,197. He stated the budget was comprised of the General Fund, Water & Sewer Fund, and Perpetual Care Trust Fund. The Recommended FY 2020 General Fund Budget was \$6,698,928; this was a decrease of \$325,880 or 4.6 percent below the FY 2019 General Fund Budget of \$7,024,808. The Recommended FY 2020 Water & Sewer Fund Budget is \$3,323,090; this was a decrease of \$70,599 or 2.1 percent below the FY 2019 Water & Sewer Fund Budget of \$3,393,689. The Recommended FY 2020 Perpetual Care Trust Fund Budget was \$2,700; this was the same amount as the FY 2019 Perpetual Care Trust Fund Budget of \$2,700. He stated the Recommended FY 2020 Budget maintained the same property tax rate of 53 cents per \$100 valuation as the FY 2019 Budget (**no property tax rate increase**). He stated the Recommended FY 2020 Budget merged the following three budget units into one unit: public works administration, street, and sanitation into public works. Additionally, stormwater expenditures were moved from administration to public works as they are classified as a public works function. He presented the following:

Recommended FY 2020 Budget Revenues

General Fund

The recommended budget included the following projected significant General Fund revenue sources:

- Property Taxes: \$2,956,000
- Sales Tax: \$1,409,000
- Fund Balance appropriation of \$701,999 to purchase capital items and fund the Town's participation in Link Transit
- Utility Franchise Taxes: \$400,000
- Motor Vehicle Taxes: \$372,000
- Sanitation Fees: \$306,000
- Powell Bill Allocation: \$192,000
- One penny on the property tax rate generates approximately \$62,792

Water and Sewer Fund

The recommended budget included the following projected significant Water & Sewer revenue sources:

- Sewer Sales: \$2,200,000
- Water Sales: \$815,000
- Realize deferred revenue: \$114,090
- Water & Sewer Reconnection Fees: \$90,000

The following rate increases were recommended:

- *Water and Sewer rates:* 2 percent increase in water rates (9 cents per 1,000 gallons for in-town customers and 18 cents per 1,000 gallons for out-of-town customers) and 2 percent increase in sewer rates (24 cents per 1,000 gallons for in-town customers and 48 cents per 1,000 gallons for out-of-town customers and \$1.09 for sewer only (flat rate)) (Attachment #2).
- The City of Burlington charges the Town of Gibsonville for water sold and sewer (wastewater) treated. The Town's rate increases are needed to cover the City of Burlington's 2 percent increase in water rates and a 2 percent increase in the sewer rates.
- Sewer system inflow & infiltration (I&I) (water entering into the sewer system) creates wastewater collection problems and significantly increase operational costs for the Town (approximately \$200,000 – \$600,000 annually). I&I activities include investigating and inspecting sewer lines and meters, identifying top priority problems, and then making repairs and rehabilitating lines to reduce I&I. The Town's sanitary sewer rehabilitation project is expected to be completed in FY 2020 and improve I&I issues.
- Provided is information showing the impact of the recommended water and sewer rates increases on typical water bills (Attachment #3).

Recommended FY 2020 Budget Expenditures

General Fund – Noteworthy Items

- Purchase three replacement vehicles and one additional vehicle for a new position for the police department: \$228,800. Vehicles will be funded through Fund Balance.
- Purchase a knuckle boom grapple truck for the public works department (will improve efficiency and employee safety): \$150,000. Vehicle will be funded through Fund Balance.
- Purchase a rear loader refuse truck for the public works department (will improve efficiency and allow for weekly collection of yard waste): \$150,000. Vehicle will be funded through Fund Balance.
- New annual debt service payment for a replacement fire truck: \$96,492. Debt service payment will be funded through operating revenue.
- Purchase equipment for a replacement fire truck: \$75,000. Equipment will be funded through Fund Balance.
- General Fund contingency allocation: \$40,000
- Participate in Link Transit: \$38,000. Said participation will be funded through Fund Balance.

- Purchase eight sets of turnout gear for the fire department: \$27,200. Said equipment is funded through Fund Balance.
- Purchase a replacement truck for the parks and recreation department: \$25,176. Vehicle will be funded through Recreation Capital Reserve.
- Purchase a portion of a replacement one ton service truck for the public works and water & sewer departments: \$15,000. Vehicle will be purchased through Fund Balance.
- Install wiring (electricity) at the Moricle Park maintenance building: \$10,150. Said capital project will be funded through Recreation Capital Reserve and Fund Balance.
- Purchase a John Deere Gator for the parks and recreation department: \$7,706. Equipment will be funded through Fund Balance.
- Purchase one handheld radio for a new position in the police department: \$5,000. Equipment will be funded through Fund Balance.

Water & Sewer Fund – Noteworthy Items

- Purchase a portion of a replacement one ton service truck for the public works and water & sewer departments: \$30,000. Vehicle will be purchased through retained earnings.
- Complete the development of a water and sewer master plan: \$30,000. Plan will be funded through operating revenue.

Personnel – Noteworthy Items

- Salary/Benefits/Equipment (includes vehicle) for one additional police officer position (six months – hire date January 2020): \$100,998 and two new full-time equivalent firefighter positions (six months – hire date January 2020) (consisting of eight non-benefited part-time employees): \$58,241
- Up to a 2 percent merit pay (both General Fund and Water & Sewer Fund): \$52,421.
- 1 percent across-the-board salary adjustment (both General Fund and Water & Sewer Fund): \$35,774.
- Increase in employer retirement contribution rate to comply with the North Carolina Local Government Employees' Retirement System (NCLGERS) actuarial adjustment: \$34,680

Ben Baxley, Town Manager, presented a spreadsheet showing all current debt service. He stated the debt service obligations equate to 3.5 percent of the Recommended FY 2020 General Fund Budget and 5.5 percent of the Recommended FY 2020 Water & Sewer Fund Budget. He stated the Town intended to complete a sanitary sewer rehabilitation project and to complete a waterline replacement project along Springwood Avenue and Cedar Street in FY 2020. Mr. Baxley presented the Recommended FY 2020-2024 CIP; the CIP is simply a tool to forecast major capital needs over a five-year period. He stated the Recommended FY 2020 Budget would be presented at the Board of Aldermen meeting scheduled for 7:00 p.m. on Monday, May 6, 2019.

Alderman Pleasants stated the water and sewer fund was self sufficient.

Mr. Baxley stated the water and sewer fund revenue had to equal the expenditures. He stated in the past they have had to pull from the general fund but not this year.

Alderman Pleasants stated all fees on the waterbills did not go to the water and sewer fund.

Mr. Baxley stated no, there was the sanitation fee and stormwater fee that went to general fund.

Alderman Pleasants stated the board recently had approved two new developments that would generate approximately \$350,000 but before the additional growth the town should have additional police and fire personnel to cover the growth.

Mayor Williams stated it would take five years to complete the projects.

Alderman Pleasants asked about excess property that the town owned and the value of it.

Mayor Williams stated the town had to have something to fall back on if there was an emergency.

Alderman O'Toole stated the town did not have commercial growth but the town had to provide adequate services, including personnel, to provide the way for commercial growth. He stated this was worth additional conversation.

Alderman Shepherd stated if the town were to sell the properties and use that money for something, then the money would be gone.

Ivonne Maizeland, resident, stated the town could have another reserve account or pay off the community center.

Marisa Shaffer, resident, stated the market was at a ten year high, property was worth more. She stated the town could cash out later and it may not be work what it was now.

Mayor Williams stated the FY 2020 Budget would be on the agenda for discussion at the May 20th meeting. He stated the public hearing on approval of the FY 2020 Budget would be at the June 3, 2019 meeting.

Alderman Shepherd, seconded by Alderman Pleasants, made a motion to adjourn. The motion passed unanimously. The meeting adjourned at 8:11 am.

Mayor

Attest:

Town Clerk