

MINUTE BOOK XXXIII, PAGES 39-46
BUDGET WORKSHOP OF THE TROUTMAN TOWN COUNCIL
April 08, 2024

A Budget Workshop of the Troutman Town Council was held in the Troutman Town Hall, 400 North Eastway Drive, North Carolina on April 08, 2024 at 8:00 a.m. with Mayor Teross W. Young, Jr. presiding.

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

Staff Present: Ronald Wyatt, Town Manager; Kimberly Davis, Town Clerk; Jessica Davidson; Justin Mundy, Finance Director; Austin Waugh, Public Works Director; Josh Watson, Police Chief; Emily Watson, Parks and Rec. Director; Lynne Hair, Planning Director; Lou Borek, Human Resources Director

Others Present: None

Press Present: Debbie Page, Iredell Free News

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

ITEM 2. DISCUSSION OF THE 2024/2025 FISCAL YEAR PROPOSED BUDGET

Town Manager Ron Wyatt expressed appreciation and thanks to each department head for what they do and have been doing. Each department head has seen firsthand what they need to do to evolve in providing quality services to the citizens and stay within the confines of their budget.

Mr. Mundy explained the process of preparing the budget, taking each department line by line looking at analytics from the last few years to see where the town is and where the projections are. Tax revenue projections come from the state. Revenue wise he wants to be realistic, but conservative. The 2024/2025 Fiscal Year Budget is for \$17,928,362. The following highlights were presented:

General Fund: \$11,336,922

General Fund Revenues

- Ad Valorem Taxes – Projecting \$7,620,427 based on \$.50 tax rate (same rate as last year).
- Trash/Recycle Revenue – Proposing \$614,400; an increase of \$394,400 based on bids received. This increase does not cover the total cost that the Town is charged. Mr. Mundy stated that the Town is allowed to recoup the cost of trash pickup, but is not allowed to profit from it.
- Projected increase in franchise tax and local sales tax due to increased population and North Carolina projections of a continuation of the economy.

Councilmember Oxsher asked for an explanation regarding *Refunds on AdValorem Taxes*. Mr. Mundy replied that it is a fund the Town receives when the County provides a tax refund. Refunds could be due a possible mistake from the county in billing. Manager Wyatt stated that it could be an appeal of property value and taxes have already been paid. Councilmember Henkel asked if the Town has to approve the refund process. Manager Wyatt stated that he is not aware of the negatories but staff can research and provide an answer before budget is approved.

Councilmember Jaroszynski asked what *Local Sales Tax 1/2 % Article 44* is for. Mr. Mundy replied that he does not know for sure but will check into it. He commented that he knows it comes from the state.

Councilmember Jaroszynski inquired about the *Miscellaneous Revenue* line item. Ms. Hair explained that the amount was a check from 2023 from a developer in lieu of building a greenway. Mr. Mundy stated that the line item is restricted to Planning and Zoning.

- Sale of Fixed Income line item in the amount of \$155,000 in the town's 2023/2024 Budget column was explained as the sale of the lot on Lytton Street owned by the Town.

8:40 am – Councilmember Felina Harris arrived.

General Fund Expenditures: 11,336,922

Governing Body-Expenditures (\$194,100)

- Dues and Subscriptions – Proposing an increase of \$13,000 from current year \$17,000 to \$30,000. Due to a full year of cyber security protection. Mr. Mundy was asked to remove all IT services from this line, breaking out each under the new heading of IT.

Councilmember Eddie Nau asked if *Fees for Elected Officials* is equivalent to surrounding municipalities. Manager Wyatt replied that compensation is appreciatively lower. Councilmember Nau suggested that an increase should be looked at and considered. Councilmember Henkel agreed. Manager Wyatt will research, sending options for Council to consider.

Councilmember Felina Harris inquired about the increase in the *Special Events* line item. Mr. Mundy stated it is the employee wellness event and events like this where food is involved. The Manager Wyatt asked for feedback from the Council regarding further increasing the line item to include cost in meeting with Mooresville's Mayor and Town Council. Mayor Young asked that the Council consider it as it provides networking opportunities to build connections and relationships. The council agreed as well. Manager Wyatt proposed increasing the line item by 50% more.

Mayor Young asked what is in *Contracted Services*, Mr. Mundy stated the Town Attorney's pay and the cost of the audit.

Councilmember Oxsher asked about the *Travel* line item; Mr. Mundy stated that the amount proposed is used when the Council physically travels for Town purposes.

Administration (\$918,475)

- Salaries and Wages – Increased salaries and wages from \$297,078 to \$336,637 explaining that the line item includes 50/50 pay from Administration in the General Fund and Administration in the Utility Fund for the Town Manager, himself, and Jessica Davidson; and full-time salaries of the Town Clerk and HR Director.
- Contracted Services Tax Collection – Proposed increase of \$10,000. This line item is what the Town pays the county to collect taxes. The more taxes collected, the higher the cost to the Town. There is also an increase in taxes collected.
- IT Expense – The requested increase of \$12,000 is to provide on-site help several days a week. Manager Wyatt explained that in having contracted services for IT is the cheapest way to get the service because they are paid a flat fee for 24/7 on-call service.

Councilmember Jaroszynski asked about the requested increase in the *Training* line item and the decrease in *Telephone Expense* from Previous Actual. Mr. Mundy stated that it is important to keep employees properly trained. Most courses are from the state and they are not cheap. He explained that the telephone expense is remaining around \$6,000.

Councilmember Jaroszynski asked what is in *Contracted Service*. Mr. Mundy replied that it is the software contract with Harris which is split 50/50 with the Utility side.

Passport (\$72,956)

- The proposed decrease in this line item is mostly due to the Passport Office being staffed with a part-time position, therefore there is no group insurance or retirement expense. Staff anticipates that the costs in this department to remain mainly the same.

Elections (\$0)

- Contracted Services – Zero dollars are proposed. Following a brief discussion, Mr. Mundy stated that he would get with the Town Manager to see if an expense would need to be budgeted.

Planning and Zoning (\$875,193)

- Professional Services – Requesting \$350,000 to be budgeted in this line item for fees paid to West Consultant for planning services. He continued by stating that the Town is reimbursed for many things from developers. Councilmember Oxsher questioned if Kimley Horn is in this line item. Planning Director Lynne Hair stated the \$60,000 under *Contracted Services* is the retainer for Kimley Horn for transportation services. This cost will fluctuate from year to year. The service also has a TIA element to it of which the developer will reimburse the Town.

Councilmember Oxsher asked if the Town is going forward with Placer and if so, will the cost be spread over all departments. Manager Wyatt replied yes. Emily Watson, Parks and Rec. Director stated that the initial quote was \$17,000 annually, but a verbal quote of \$12,000 was presented. She stated that the company offered to start now and bill in fiscal year 2024. Ms. Watson informed the Council of another demonstration with a company called City Data. Although not as impressed with their demo, she is willing to go back to them for a second one. City Data bills monthly (monthly cost of \$250.) Councilmember Oxsher recommended that the Town go with Option B and see if they work out, if not then go back to the first option. Manager Wyatt stated that he can certainly see how the service would be valuable and how it could be used in other departments.

- Equipment Rental – Requesting \$2,500. Ms. Hair stated that this line item is for a lease-to-own contract for the plotter which the Town will own in September, but the service on the plotter cannot be done through Tobisha, therefore someone else has to service it. The plotter can scan if the Town decides to save to the cloud.
- Salaries and Wages – Proposing \$264,878. Requesting a 10% increase in salary for Andrew Ventresca. Ms. Hair stated that she would like to reclassify his title/position to Assistant Planning Director with the transportation role falling under that position. The job classification will change from 18 to 19. If the increase becomes effective July 1st, the COLA would also be included with the 10%, but if the 10% is given now the COLA would still be effective July 1.

Police Department: \$3,179,299

- Salaries and Wages – Requesting an increase of approximately \$200,000 to add 2 new positions; an Admin Lt. position (to be promoted from within the department) and a full-time Records Technician position. He explained that the Records Tech would be a new hire and with the advancement of a patrol officer to the Lt. position, a new Patrol Officer would be needed. He stated that the 2 new positions will help meet the demand for coverage to enable training, time off, and help match the growth of the population and the demands of the department.
- Travel and Training – Requesting a \$4,000 increase from current year budget. This increase includes additional range training at the FOP in Statesville. Cost is \$400 for 1 to 3 days; billed annually. Chief Watson was asked if additional funding would be needed if there will be additional range training.
- M&R Vehicles – Requesting \$30,000; an increase of \$10,000 due to rising cost in parts.
- IT and Telephone – Proposing \$80,000; an increase of \$10,000 from current year budget due to changes in phone service, additional internet, internet hotspots, and rising costs. The Town's IT service is with 'We Handle Tech'.
- K-9 Expense – Proposing a decrease from \$57,400 to \$16,000. The current budget of \$57,400 was mainly for start-up costs for the new K-9. In the new budget year, the only cost will be food, healthcare, bitesuit, and other training equipment.

- Automotive Supplies – Requesting \$70,000 - an increase of \$10,000 due to the rise in the cost of fuel. (Remane to *Fuel* in each department).
- Departmental Supplies – Proposing a \$2,000 increase from \$88,000 to \$90,000.
- Uniforms – Proposing an increase of \$8,000 for the purchase of replacement vests for 4 officers at the cost of \$2,000 each.
- Contracted Services – An increase of \$12,700 is requested in this line item due to having to purchase additional body cameras from Lenslock and additional Tasers through Axon Tasers. Requested amount: \$126,700.
- Capital Outlay – Request of \$130,000 for equipment: upgrade radios and purchase of additional radios, upgrade pistols, and the purchase of 2 drones.

Mayor Young asked Chief Watson for an update regarding the evidence room. Chief Watson responded that what was once the detective's office had been fully gutted and now filled with shelving creating a lot more space. He continued by stating that the incinerator has been delivered to Statesville PD and once installed, evidence can be destroyed and the drop box in the lobby can then be re-opened. Councilmember Nau asked if looking into a mini-mobile is on hold. Manager Wyatt replied that it is not, staff is still getting pricing. Chief Watson commented that Manager Wyatt is planning to move additional people around to free up some additional office space here in Town Hall. Councilmember Nau asked which would be more beneficial to buy or lease a mini mobile. Manager Wyatt stated that it is more advantageous to buy things, rather than lease, but once they are no longer needed for that purpose, what can be used for afterwards. Manager Wyatt suggested that he be allowed to move personnel around to satisfy the police department's needs to function. A new Town Hall will be a 2½ - 5 year process.

Street Maintenance Department: \$1,027,244

- Salaries & Wages – Requesting an increase of \$78,233 from the current year (\$78,750). Finance Director Mundy explained that Salaries under this department include 3 employees; the mechanic, the moving of one existing employee into this department; and the request of a new employee as an assistant for the mechanic. Mr. Mundy stated that the new assistant would come in as an entry-level position. Manager Wyatt stated that employees are encouraged to get certifications explaining that pay increases come along with certain certifications or licenses. The Town will pay for the training and certifications as long as it is directly job-related. Mr. Mundy is to add a line item for *Training* in this department.
- Patching and Paving Contracted – The proposed \$600,000 in this line item is to budget for the paving of Wagner Street, and Iredell Avenue. In a discussion regarding the town parking lot on Wagner Street, the Lytton Street design was discussed. Town Clerk to email the video/design to Councilmember Jaroszynski.
- Utility Streetlights – Requesting \$29,356 - an additional \$15,000 above the current budget due to rising cost and growth.
- Street Sweeping – Requesting \$70,000 - an increase of approximately \$20,000. Manager Wyatt stated that in comparison to neighboring municipalities, the Town is getting a great return.

Discussion was held regarding roadside clean-up needed at Exit 42. Manager Wyatt stated that along the road is state property. A suggestion was made to possibly send a letter to the state and/or property owners. Manager Wyatt explained of the liability for the property owner to perform work on someone else's property.

Mr. Mundy to add *Dues and Subscriptions* line item in the Street Maintenance Department.

Debt Service: \$434,838

- Proposing a decrease in debt service payments of approximately \$92,000 due to the Inglewood loan being paid off. Mr. Mundy stated that the Town is great with its debt service ratio. Mr. Mundy is to provide a concrete number by email to the Council along with a list of payoffs and the dates. There is \$1.275 million being set aside again this year in the budget for future planning.

Break for lunch - 12:00 pm – 12:45 pm.

Sanitation: \$861,200

- Requesting an increase in garbage pickup of \$267,000 and recycling pickup of \$154,000. This increase is based on bids received and the increase in costs by the Town's contracted service.

Town Manager Wyatt explained that once Benfield's sold the company to Republic, the Town met with and was advised by Republic that within 30 days the Town's fee would increase by \$15,000, and before the year was up, the fee would increase to \$17,000. He stated that in putting out the Town's Request for Proposal (RFP) he clearly defined the Town's terms. In researching what it would cost the Town to provide its own trash service and saw the cost of a truck alone, he quit researching due to that cost, the cost of personnel, and the liability of the Town. He recommended (due to the costs) staying with a contracted service. A brief discussion was held regarding the trash and recycling pick-up schedule and can ownership. Councilmember Oxsher asked if there is another way to collect the sanitation fees other than through the water bill. Manager Wyatt stated that we can through property taxes, but the pushback that other municipalities receive in doing it that way is mostly seen as a user-type tax instead of an owner-type tax. It would affect businesses that are no longer receiving the service. Some towns have a special tax district for businesses, which Troutman does not have. The majority of municipalities collect the fee through utility billing. Manager Wyatt stated that Staff will be requesting a policy that utilities be in the property owner's name to avoid unpaid bills when a tenant moves out. Councilmember Jaroszynski asked if the Town could close more of the deficit gap, to reflect the contracted price without the Town making a profit stating that the deficit will continue to grow each year; the Town needs to stay with it, not behind it. Manager Wyatt commented that the Council can close that gap now if that is their wish, then revisit each year. The proposed increase for trash and recycling was \$16.52 per month per household. Councilmember Jaroszynski's proposal to increase the fee to \$18.52 per month per household to reflect the proposed contract price. The council was in agreement.

Mayor Young summarized that Council recommends:

- Initiating a fee closer to the contract amount.
- Staff explore removing the fee from the water bill if possible and check with the county to see if the fee can be added to ad-valorem taxes.
- Staff to explore with Harris if the cost of water/sewer and trash can be broken out separately on the bottom of the bill (invoice and stub, creating a change in the template).

Parks and Recreation: \$747,960

- Salaries & Wages – Requesting \$354,381 - an increase of approximately \$103,856 due to an increase in employees and benefits (5 full-time and 4 part-time). No additional employees are being requested.
- Training – Proposing \$5,000 an increase of \$3900 for leadership training and continuing education courses.
- Travel – Parks & Rec. Director Watson stated that they use the town vehicles whenever possible, but the requested amount of \$500 is in case one is not available.
- M&R Vehicles – Proposing \$10,000.
- Office Supplies – Proposing an increase from \$3,000 to \$7,500. With more people, more supplies are needed.
- Recreational Supplies – New line item proposing \$5,000 for programing needs and needs for amenities.
- Uniforms – New line item requesting \$3,000.
- Special Events – Proposing an increase of \$10,000 from \$45,000 to \$55,000 due to rising cost.
- Marketing and Advertizing – New line item proposing \$5,000 for tracking purposes. Previously under Special Events.
- Dues and Subscriptions – Increase of \$700 for professional and organizational dues.

Ms. Watson stated that there are no substancial needed to request and there is nothing proposed in *Capital Outlay*.

Economic Development: \$401,656

- Downtown Enhancement – Requesting \$350,000 a \$50,000 increase from current year to continue renovations of the downtown Wagner Street buildings.
- Tax Grant Incentives – The requested \$24,000 is for CR Onsrud.
- Dues-Iredell Economic Development Corporation (IEDC) – Proposing \$27,656 for yearly dues.

Mayor Young asked if the dues to Lake Norman Transportation Commission (LNTC) is coming out of the Planning Department budget. Mr. Mundy stated that he would need to check.

Capital Expenditures: \$165,000

- Capital Outlay-Building – Proposed funding is for a possible mobile unit for Police.
- Police Vehicles – None proposed.

Insurance & Bonds: \$200,000

- Insurance & Bonds – Requesting an increase of \$50,000 due to the Town owning additional properties and the increase/inflation in insurance costs.

Transfers to Other: \$2,090,000

- Transfer to Concession Stand & Lights ESC Park Fund – Requesting an additional \$325,000 on top of the remaining \$325,000 for continued improvement/additions in the Park. Manager Wyatt stated that the cost just for lighting is around \$900,000 to \$950,000. He stated that he has already laid the groundwork for state funding and if the Council approves the funds in this line item, the state will assist the Town on the completion of the project.
- Transfer to Facilities – Proposing \$1,275,000 for the new Town Hall.
- Transfer to Economic Development – Proposing \$70,000 - same as current year budget.
- Transfer to Industrial Recruitment – Proposing \$10,000 - same as current year budget. Following the completion of the Town's downtown buildings, this line item could be used for façade grants for downtown businesses.
- Transfer to Greenway Fund – Proposing \$100,000-same as current year for the two sidewalk projects (Talley and Downtown) to assist with the design and engineering of the projects. The Town will need to borrow the funds for construction (estimated cost of 1 million dollars). State grants have been approved for partial funding. Ms. Hair stated that plans have been approved by NCDOT and they are now reviewing in right-of-way. She stated that there is a total of 2 grants: a grant for Talley Street, Rumble Street, and Wagner Street; and a Greenway extension grant for construction of the greenway all the way to Byers Road.
- Transfer to Pocket Park – Proposing \$60,000 - same as current year budget. Manager Wyatt stated that these funds are requested for any additional options and/or future pocket parks. He shared that the developer at Wakefield Village has promised the Town 14 acres there for a possible amphitheater.
- Transfer to Capital Project Fund – Proposing \$250,000 for future capital projects.

Contingencies: \$175,000

- Contingencies – Increased \$50,000 from current \$125,000. This line item is for unforeseen expenses.

A discussion was held regarding the Town Hall HVAC system with Manager Wyatt stating that there are bi-weekly repairs and are currently waiting on parts. The HVAC company is researching the best option in buying a new system or repair the current one to get the Town by until the building is refurbished.

UTILITY FUND

Utility Fund Revenues \$6,591,440

Mr. Mundy stated that Utility Fund Revenues are estimated by the growth of the Town.

- Water and Sewer Sales – Projecting an increase of approximately \$345,000 in water to \$2,005,000 and \$500,000 in sewer to \$1,803,000 due to an increase in customers.
- Water and Sewer Availability Fees – Projecting an increase of approximately \$140,000 in Water Availability Fees and \$300,000 in Sewer Availability Fees based on the projection of 400 new lots.

Councilmember Jaroszynshi asked that a column be added to next year's report showing 'Current Projections'. Mr. Mundy stated that he will add that column for next year and will email a report to all Council this week of those projections.

Councilmember Henkel asked what is in the *Convenience Fee* line item. Mr. Mundy stated it is the fee for online and automated phone payments. The Town does not get to keep the (\$3) fee, it is paid towards the software service. He shared that he has looked into other options and does not think the Town will find anything better, but he will continue to research. This line item is proposed at \$40,000, \$15,000 more than the current year.

- Penalties – Requesting \$65,000. This line item is late fees paid.

Administration – Utility Revenues \$778,660

- Salaries & Benefits – Increases in these line items are due to the allocation of the front office salaries 100% into the Administration Utility Fund except for the Town Manager, Jessica Davidson, and Finance Director Mundy whose salaries are split 50/50 into this fund and General Fund Admin.
- Training – Proposing \$10,000; an increase of approximately \$4,000 due to the anticipation of additional training for the transition of the new hardware.
- Postal Expense – Requesting \$18,000 an increase of \$3,000 from the current year budget. Mr. Mundy stated more customers, more bills.
- Departmental Supplies – Proposing an increase from \$8,000 to \$12,000. Mr. Mundy stated that this line item is a 'catch-all'.
- Contracted Services – Requesting \$100,000. No increase is proposed. Lobbyist fees come from this line item as well as the cost of the utility billing/accounting software.
- Bank Service Charges – Proposing an increase of \$21,000 from \$45,000 to \$66,000. Mr. Mundy stated with an increase in activity, bank fees go up. Mr. Mundy is to provide a breakdown of the bank fees to the Council.
- Group Insurance Expense – Councilmember Nau asked the reason for the jump in insurance from \$47,000 to \$80,000. Mr. Mundy replied that it was due to additional employees and an increase in the insurance premium through the League. Councilmember Nau asked if the Town has to go through the League. Manager Wyatt responded that the Town does not, but there are brokers that the Town goes through who review the proposal from the League and right now it is the best option for the Town.

Capital Items-Utility Revenues \$771,956

- Purchase of Sewer Capacity – Proposing \$466,440. No change in the line item amount from current year.

Maintenance-Utility

Water & Sewer-Utility \$5,040,824

- Salaries/Wages and Benefits – Requesting an increase in salary and benefits due to the request of 7 additional employees in Public Works. Town Manager Wyatt suggested to move forward with 3 full time employees and put the other 4 in contingencies.
- Employee Training – Proposing to increase from \$5000 current year to \$15,000 to continue certifications for 9 employees.
- Utilities – Requesting \$75,000; an increase of \$10,000 from the current year budget. This line item is basically for fuel for generators.
- Contracted Services – Requesting a slight increase from the current year budget of \$380,000 for engineering expenditures for water and sewer projects (Westmoreland ROW Creek Repair). The Town

is reimbursed by AIA grant funding for many of these projects. This line item also includes ½ of the cost for a town fuel pump (split between the general fund and utility fund).

- Water Meter Supplies – Requesting an increase of \$100,000 from the current year's budget to \$350,000 for new builds as well as replacement meters. This line item also includes setters.
- Water Purchase – Proposing an increase of \$175,000 due to customer growth.
- Sewer Treatment Fees – Requesting \$850,000; a \$100,000 increase from the current year's budget.
- Capital Outlay-Building – Requesting \$600,000 for grading, a new storage shelter for equipment, and renovations to the existing public works facility.
- Capital Outlay-Equipment – Requesting \$190,000; a decrease from the current year's budget. The following request is included in this line item:
 - Replace the Generator at the Charles Center Pump Station, and as needed, replace the Technology Drive Pump Station.
 - Sewer Camera
 - Ditch Witch Utility Locator
 - Bush Hog
 - 25,0000 lb 4 Post Lift

Contingencies - \$0 Proposed

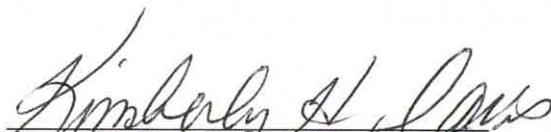
Manager Wyatt suggested moving 4 of the 7 new employees requested in Public Works to this line item. Councilmember Oxsher suggested moving \$47,027 requested for replacement of the Technology Drive Generator when needed from Capital Equipment Outlay into this line item.

A discussion was held regarding the requested fuel tank. Manager Wyatt stated that the Town currently gets fuel from CATS who charge the town a percentage. He explained the difficulties the Town has experienced with the CATS system. Manager Wyatt explained that there are two fueling processes being considered: 1) a 2-card system, and 2) a login process. He shared that he thinks the 2 card fuel system makes the most sense. Councilmember Nau asked how long will it take to pay for itself. Manager Wyatt replied that he could not answer because staff is still exploring options to see which way is cost-effective. If the Town goes with the 2-card system, gas would be purchased from a gas station.

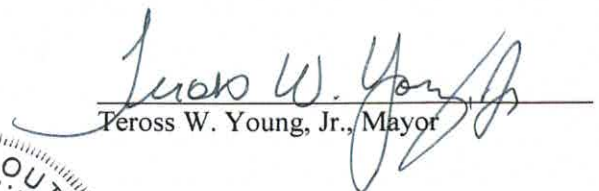
Manager Wyatt wrapped up by stating that in preparing the budget he asked Finance Director Munday to be very conservative in income coming in, and to shoot high on expenditures.

ADJOURNMENT

Upon motion by Councilmember Nicholas Jaroszynski, seconded by Councilmember Jerry Oxsher, and unanimously carried, the April 08, 2024 Budget Workshop was adjourned at 4:06 p.m.


Kimberly H. Davis, Town Clerk




Teross W. Young, Jr., Mayor