

Town Of Garner
Budget Work Session Minutes
May 18, 2016

The Council met in a Work Session at 8:00 a.m. in the Garner Police Department Training Room located at 912 7th Avenue.

Present: Mayor Ronnie Williams, Mayor Pro Tem Kathy Behringer, Council Member Jackie Johns, Council Member Buck Kennedy, Council Member Ken Marshburn, Council Member Gra Singleton

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Assistant Town Manager Development Services, Brandon Zuidema-Police Chief, Pam Wortham-Interim Finance Director, Michael Gammon-Budget & Special Projects Manager, Rick Mercier-Communications Manager, Stella Gibson-Town Clerk.

Invocation was provided by Council Member Johns.

Mr. Dickerson presented an overview of the general fund and reviewed the budget message.

- Total Recommended Budget is \$30.19 million - \$1,721,890 increase over FY 2015-16 Budget (6.05%)
- Recommended Property Tax Rate of 51.75 cents per \$100 of assessed valuation (Revenue neutral rate is 51.39 cents per \$100 of assessed valuation)
- Revenue enhancements (new) total \$285,000
- Town Council reinstated Acreage Fees as a reserved source of revenue for Water and Sewer system infrastructure
- Vehicles & Equipment purchases valued at \$746,500
- 1 new full time position, 1 new supplemental position
- Allocation to GVFR, Inc. to support full implementation of compensation plan and expansion requests

Expenditure by Category

Category	Amount	Percentage
Personnel Services	\$15,068,382	49.9%
Operations & Maintenance	\$9,430,652	31.2%
Debt Service	\$3,599,422	11.9%
Capital Outlay	\$1,125,366	3.7%
Operating Capital	\$393,630	1.3%
Professional Services	\$287,038	1.0%
Transfers	\$285,000	0.9%

Budget Priorities

1. Adequately Fund Bond Debt Commitments
2. Preserve Fund Balance
3. Continue the Revenue Savings Plan
4. Continue Funding Pay-for-Performance Philosophy
5. Annualizing Street Resurfacing and Vehicle & Equipment Replacement Programs
6. Support Council Strategic Priorities
7. Absorb New and Ongoing Operational Expenditures

Strategic Priorities & Emerging Needs

2016-2017 Council Priority Projects

Storm Water Infrastructure Study
Parking Lot – Main & Pearl
401 Lighting
Development Services Software
Ackerman/Hebron/White Oak Preliminary Design
Hwy 70/401 Beautification Expansion
Shelter – Garner Rec Park

2016-2017 Emerging Needs

Bryan Road Elementary Joint Use
Roof Coating – 912 & 914
BMP at Lake Benson Dog Park
Parking at Lane Benson Dog Park
Rand Mill Road Park Improvements
Benson Road Sidewalk Project Issues
Senior Center Restroom Repair/Remodel
Garner Road Sidewalks near Perdue Street
Resurface Parking Lot at Garner Rec Park
Parking Spaces at Centennial Park

2017-2018 and Beyond Projects

Hwy 50 Bridge Enhancements
Ackerman/Hebron/White Oak Construction
Hwy 70 Employment Center Sewer Expansion
Fire Station 5
Fiber Ring
Bryan Road Middle School Joint Use
Bryan Road Flood Study
Park Land in White Oak Growth Area
Sub-Regional Pump Station
Land for Sports Complex
Cloverdale Park
Future Transit-Related Investments

Revenue Update

	FY 2015-16 Adopted*	FY 2016-17 Recommended*	Difference
Property Tax	\$16,186,000	\$16,751,900	\$565,900
Permits and Fees	\$1,596,310	\$1,709,760	\$113,450
Other Taxes and Licenses	\$5,741,960	\$5,880,800	\$138,840
Intergovernmental Revenue	\$3,004,999	\$3,343,598	\$338,599
Sales and Service	\$490,966	\$448,417	\$(42,549)
Interest Earnings	\$12,700	\$100,000	\$87,300
Other Revenue	\$197,841	\$290,800	\$95,959
Total	\$27,230,766*	\$28,525,275	\$1,294,499

*does not include use of Fund Balance or Acreage Fees

Other Revenues of Importance

- Installment loan of \$700,000 to cover funding for portion of vehicles and equipment recommended by VERT
 - Projected installment loan of 4 years at 2.27% interest rate
- Utility sales tax revenues expected to grow by over 20% over FY 2015-16 budget amount.
 - Electricity has experienced strong growth well over last year's estimate.
 - Revenue source has been volatile since inception, but starting to level out.
- Building permit fees are expected to grow by 26.5% as a high level of development in Town is expected to continue.
- Parks and Recreation revenues are reduced from where they were budgeted in FY 2015-16, however their performance YTD in FY 2015-16 has been nearly identical to FY 2014-15 less the Thompson Road Park revenues.

Projected Fund Balance

FY 2014-15 Total Fund Balance		\$23,732,949
Estimated increase in Fund Balance		\$952,260
FY 2015-16 Total fund Balance		
Less:		
Restricted Fund Balance	\$3,384,902	
Committed Fund Balance	\$3,861,923	
Assigned Fund Balance	\$921,215*	
Total Reductions		\$(8,168,040)
Undesignated Fund Balance		\$16,517.169

Revenue Savings Plan

- Third year of the program that dedicates a portion of revenue growth to meet annual debt service for capital projects.
- Savings plan revenues are projected to increase 4.8% over the FY 2015-16 budget, this is expected to generate \$258,301.
- Remember, the Revenue Savings Plan is cumulative in effect year-over-year. Thus, the total FY 2016-17 Revenue Savings Plan allocation is \$641,660.

Fee Updates

- Acreage Fees – Revenues appropriated to Capital Reserve Fund
- Utility Fee Adjustments
- City of Raleigh Utility Fee Changes

Decision Packages

<u>Decision Package</u>	<u>Division</u>	<u>Requested</u>	<u>Recommended</u>
Stormwater Infrastructure Assessment	Engineering	\$ 75,000	\$ -
Additional Police Laptops and Tablets	IT	10,200	-
Network Assessment	IT	10,000	10,000
Barracuda Cloud Backup for Disaster Recovery	IT	6,500	6,500
Supplemental Fire Inspector	Inspections	33,279	24,429
Supplemental Code Enforcement Officer	Inspections	17,719	-
Development Services Software Solution	Inspections	235,000	-
Garner Recreational Park Shelter	Parks	85,000	-
Comprehensive Parks, Recreation, and Cultural Resources Master Plan	Parks	55,000	10,000
Highway Beautification Program Expansion	Planning	28,500	28,500
Police Facility Parking Canopy	Police	75,000	-
Sr. Administrative Support Specialist	Police	50,910	44,335
Body Worn Cameras	Police	24,500	24,500
SceneDoc Evidence Capture System	Police	25,000	-
Four Police Officers	Police	362,088	-
Rifle Lighting System	Police	10,000	-
Fleet Administrative Support Specialist	Public Works	39,194	-
Public Works Asset Management and Work Order Software	Public Works	22,000	-
Total Decision Package Summary		\$ 1,164,890	\$ 148,264

Annualized Street Resurfacing and Vehicle & Equipment Replacement Programs

- FY 2016-17 marks the second year of the Annual Street Resurfacing Program.
 - \$400,000 is recommended to be used for the Town's street maintenance requirements.
- FY 2016-17 is also the second year of the formalized Vehicle and Equipment Replacement Team (VERT) program.
 - VERT has recommended \$746,500 of vehicle and equipment replacements.
 - Installment financing of \$700,000 is recommended from both the General Fund and Powell Bill.
 - This recommendation represents only a portion of vehicle and equipment replacement recommendations made by VERT.

FY 2016-17 Vehicles & Equipment Replacement Summary

Parks, Recreation, and Cultural Resources	
Mini-Bus Replacement	\$49,500
Police	
Seven Vehicle Replacements	\$263,000
Inspections	
Two Vehicle Replacements	\$46,000
Public Works	
Dump Truck Replacement	\$108,000
Four Vehicle Replacements	\$134,000
Tractor Replacement	\$55,000
Four Mower Replacements	\$42,000
Trailer Replacement	\$4,500
Salt Brine Machine and Application System	\$31,000
Ball Field Maintenance Machine Replacement	\$13,500
	Total
	\$746,500

Economic Development Partners

- FY 2016-17 Budget marks change in where appropriations to the Garner Chamber of Commerce and Garner Revitalization Association are located.
- The Chamber of Commerce appropriation used to be located in Special Appropriations – Subsidized Programs.
- The Garner Revitalization Association used to be a stand alone division of the Economic Development Department.
- The two key partners have now had their annual appropriations merged into the new Economic Development Partners division of the Economic Development Department.
- Starting on Program Summaries – Page 58 of the budget document, the FY 2016-17 Garner Chamber of Commerce appropriation is \$33,000 (the same amount from FY 2015-16).
- The Garner Revitalization Associations appropriation is \$16,839, a \$1,689 increase from FY 2015-16.

Personnel Costs

- Human resources are vital to the Town’s success in all areas. Approximately 47% of the FY 2016-17 budget is allocated for salaries and benefits.
- For the fourth straight year, the performance-based pay system is proposed to be fully funded in the FY 2016-17 budget. The cost of merit as *budgeted* is \$301,164 (or 3.25% of July 1st salaries). This total cost is flat compared to the FY 2015-16 budget.
- Total personnel costs are increasing 4.57%
 - Group Insurance* – 33.35% increase (Health Insurance, Dental Insurance, Disability Insurance, and Life Insurance)
 - FICA – 1.37% increase
 - Longevity - (9.3%) decrease
 - Overtime - (3.16%) decrease
 - Temporary Salaries – 5.88% increase
 - Retirement Contribution– 6.15% increase

External Agency Funding Partners

Program Partners	FY 2015-16 Appropriation	FY 2016-17 Recommended
Garner Baseball, Inc.	\$64,900	\$64,900
Garner Civitan	\$21,344	\$21,344
Miss Garner Pageant	\$3,500	\$3,500
Garner Towne Players	\$23,650	\$23,650
Capital Area Soccer League	\$16,535	\$16,535
GAYSL	\$12,830	\$12,830
Optimist Basketball	\$22,500	\$22,500
American Legion	\$0	\$1,000

External Agency Funding Partners

Subsidized Programs	FY 2015-16 Appropriation	FY 2016-17 Recommended
Chamber of Commerce*	\$33,000	\$0*
Community of Hope	\$7,295	\$7,295
Garner Area Ministries	\$3,898	\$3,898
Garner Ed. Foundation	\$12,000	\$10,000**
GMHS Marching Band	\$1,699	\$1,699
Garner PAAL	\$3,000	\$3,000
Interact	\$3,000	\$3,000
Resources for Seniors	\$3,939	\$3,939
Wake County TRACS**	\$2,758	\$0**

*Chamber of Commerce appropriation moved to Economic Development Partners.

**Reductions in funding match request. Garner Ed. Foundation requested 42,000 less in funding for FY 2016-17; Wake County TRACS did not submit a request for funding.

Garner Volunteer Fire-Rescue, Inc.

Chief Poole stated he had worked closely with Town staff to develop the budget and feels it will meet the GFVR's needs. However, a question remains regarding funds to pursue accreditation. At this time, the City of Raleigh has notified the GVFR that they will no longer respond as part of the Garner Fire Department's planned response program starting July 1, 2016. Last year, the City of Raleigh responded to 960 overlapping calls. This means that in order to get 12 personnel on the scene, Garner Fire will have to send a crew from each of the 4 stations or wait for mutual aid from a county fire department. Chief Poole expressed concern about this practice because it could leave the Town vulnerable in some instances. The other option is to hire 9 firefighters to operate the rescue truck (or other apparatus) as the fourth engine response. There are currently no plans or funds designated to hire 9 firefighters. Chief Poole plans to attend the May Work Session to present his concerns and recommended course of action.

Budget Schedule

- Additional discussion/public hearing scheduled on June 6, 2016 to receive public input.
- Special Economic Development public hearing also scheduled for June 6, 2016.
- Proposed FY 2016-17 Budget Adoption – June 21, 2016.

Council Comments

Marshburn

- Commended staff for bringing forth a balanced budget.
- Further discussion is needed regarding GVFR and how to move forward.

Behringer

- Noticed reductions from last year; felt the budget was prepared with thoughtful consideration.
- Reiterated the need for a shelter at Garner Rec Park.
- Regarding the Fire Department issue, more in-depth research and documentation is needed - a comparison study to look at level of service to level of service and responsibility to responsibility. Need to know how GVFR relates to similar departments to see what can be changed while keeping the current level of service. Stated the level of service will go down if the Town does nothing.

Johns

- Felt the budget was easy to read and understand.
- Expressed concern regarding GVFR funding.
- Did not support a tax increase this year.

Singleton

- Expressed appreciation for preparation of budget.
- Regarding decision package submitted by the Police Department, suggested possibility of starting officers on a staggered basis.

Kennedy

- Asked for a summary of what was spent on uniforms for Police Officers. Chief Zuidema responded approximately \$58,000, which includes uniforms, shoes, rain gear, hat, holster, badges, etc.
- Asked about the utility operational costs of the Police Department facility. Mr. Dickerson responded that these costs are included in the Public Works facilities budget.
- Stated the travel and training budget is the same as last year, \$200,000.
- Asked about possible funding sources for a shelter and paving at Garner Rec Park, paving the parking lot, and a small portion of the development services software.
- Suggested the possibility of staggering employees to assist with the Fire Department issue. Possibly need a tax increase. Felt growth will affect the number of fire fighters and police officers needed. Asked how the Town would absorb additional maintenance costs.

Williams

- Stated a 1 cent tax increase would help on the Fire Department issue and that eventually the Town will need to increase taxes to maintain level of service.

Mr. Hodges stated staff will provide a true-up of bond funds and funding mechanisms outside of the operational budget in June.

Adjourn:

Motion: Kennedy
Second: Johns
Vote: Unanimous

Respectfully Submitted,
Stella Gibson, Town Clerk