

**Town of Garner
Council Work Session Minutes
February 26, 2019**

The Council met in a Work Session at 6:00 p.m. in the Council Chambers located at 900 7th Avenue.

CALL MEETING TO ORDER/ROLL CALL

Present: Mayor Ronnie Williams, Mayor Pro-Tem Ken Marshburn, Council Member Kathy Behringer, Council Member Buck Kennedy and Council Member Gra Singleton arrived at 6:15.

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager-Development Services, Matt Roylance-Asst. Town Manager-Operations, Chris Johnson-Town Engineer, Jeff Triezenberg-Planning Director, Het Patel-Senior Planner, Joe Stallings-Economic Development Director, Mike Franks-Budget & Special Projects Manager, Mari Howe-Downtown Development Manager, Sonya Shaw-PRCR Director, Joe Binns-Police Captain, Lorie Smith-Police Captain, Rick Mercier-Communications Manager, William E. Anderson-Town Attorney, and Rebecca Schlichter-Deputy Town Clerk.

Also present: Sam Bridges – Town Lobbyist

ADOPTION OF AGENDA

Motion: Marshburn
Second: Behringer
Vote: 3:0

REPORTS/DISCUSSION

Planning Process Update

Presenter: Jeff Triezenberg, Planning Director

Mr. Triezenberg lead a discussion concerning changes to the conditional/special use permit approval process brought about by both state statute and recommendations from the Town Attorney's office. Staff reviewed sample motion worksheets, sample orders and sample conditions.

Council consensus to add center podium to Council Chambers.

NC 50 Bridge Aesthetics

Presenter: Het Patel, Senior Planner

Mr. Patel presented aesthetics options for NC50 bridge replacement project. Council made the decisions regarding bridge aesthetics including identifying type of rail, wall treatment and inclusion of lighting. NCDOT is nearing design completion and needs a decision from the Town regarding the use of a medallion.

Council consensus to leave off medallion.

Review the FY 2018-2019 Third Quarter Process

Presenter: Mike Franks, Budget and Special Projects Manager

Mr. Franks provided an overview of the FY 2018-2019 Third Quarter Process

Presentation Overview

- Review the Third Quarter Process and Next Steps
- Discuss Potential Funding Options

Process Overview

- Provide staff an opportunity to revise revenues and expenditures as part of a single process
- Update Council on the Town's financial position and provide a recommendation on how to utilize any additional funds
- Consolidate fiscal adjustments and provide an opportunity to meet one-time requirements

Possible Uses

- Fund Balance
- PFRM Projects
- Stormwater
- One-time FY2019-20 Funding Requests

Next Steps

- Review staff recommendations at March 26th Work Session
- Approve changes at April 19th Meeting

Review the FY 2019-2020 Budget Forecast

Presenter: Mike Franks, Budget and Special Projects Manager

Mr. Franks provided a preliminary forecast for the FY 2019-2020 Budget.

| | FY 2019-20 Projected Revenues | | | | | |
|----------------------------------|-------------------------------|---------------------|---------------------|---------------------|------------------------|------------------------------|
| | 2018 Actual | 2019 Adopted Budget | 2019 Revised Budget | 2020 Projection | Inc/(Dec) From Adopted | Percent Inc/Dec From Adopted |
| Categories | | | | | | |
| Revenue Categories | | | | | | |
| Property Tax | \$17,992,564 | \$18,569,806 | \$18,569,806 | \$19,453,285 | \$883,479 | 4.8% |
| Permits and Fees | \$2,581,824 | \$2,250,480 | \$2,278,716 | \$2,394,580 | \$144,100 | 6.4% |
| Other Taxes and License | \$6,355,810 | \$6,846,875 | \$6,846,875 | \$7,047,631 | \$200,756 | 2.9% |
| Intergovernmental Revenue | \$3,235,513 | \$3,334,967 | \$3,334,967 | \$3,333,768 | -\$1,199 | 0.0% |
| Sales and Service | \$672,139 | \$573,573 | \$573,573 | \$605,325 | \$31,752 | 5.5% |
| Interest Earnings | \$360,123 | \$410,000 | \$410,000 | \$540,000 | \$130,000 | 31.7% |
| Other Revenue | \$195,811 | \$163,250 | \$169,590 | \$166,300 | \$3,050 | 1.9% |
| Total Revenue | \$31,393,784 | \$32,148,951 | \$32,183,527 | \$33,540,889 | \$1,391,938 | 4.3% |
| Other Financing Sources | \$713,213 | \$3,083,131 | \$4,353,534 | \$2,353,828 | -\$729,303 | -23.7% |
| Total Available Resources | \$32,106,997 | \$35,232,082 | \$36,537,061 | \$35,894,717 | \$662,635 | 1.9% |

Projected Resource Highlights

- Increase in Town-wide assessed property value of \$167,736,000 or 4.8 percent
- Increase of \$200,756, or 3.0 percent, in Sales Tax
- Increase of \$130,000, or 31.7 percent, in Interest Income
- Increase of \$90,000, or 14.1 percent, in Car Tags
- Decrease of \$580,573, or 64.7 percent, in use of Appropriated Fund Balance

Summary of Baseline Impacts

- Increase of \$240,376 in transfer to the Revenue Savings Plan
- Increase of \$590,000 to fund personnel requirements
 - *\$284k to fund performance-based increases*
 - *\$183k to fund retirement increases*
 - *\$123k to fund other personnel costs*
- No increase anticipated in Group Insurance
- Decrease of approximately \$121,667 in Motor Vehicle revenue

Other Requirements

- Increase of approximately \$60,000 to fund solid waste recycling requirements
- Increase of \$60,000 to fund election costs
- \$50,000 for the third and final funding increment for the Unified Development Ordinance (UDO) project in Planning
- \$557,585 for capital renewal projects identified as part of the PFRM process
- \$223,000 for scheduled IT infrastructure replacements

Summary of New Requests

- Funding of \$2.0 million in decision packages
 - *\$1,417,935 in Personnel*
 - *\$586,821 in Operating*
 - Total of 19 full time positions and 2 part time positions

Opportunity Zones Overview

Presenter: Joseph Stallings, Economic Development Director

Mr. Stallings gave an overview of the areas in Garner that are covered by Opportunity Zones as established by the 2017 Tax Cut and Jobs Act. The Town of Garner was able to receive two of the zones.

Benefits

-Opportunity Zones allow investors to protect capital gains from taxation by placing those proceeds in Opportunity Funds.

Three benefits of Opportunity Zones to investors

1. Deferral of taxation
2. Capital Gains Reduction
3. Appreciation Exclusion

Funds and Zones

- In order to invest in Opportunity Zones, you must invest your capital gains in an Opportunity Fund
- An opportunity Fund is a corporation or partnership organized for the purpose of investing in Opportunity Zones-Still Questions Remain
- Rules describing distribution from Opportunity Fund.
- Rules on re-investment of disposition proceeds and return of capital
- Information reporting requirements
- How do QOZB requirements apply to leased property?
- Can syndicated funds be used to invest in QOf?

GEDC Work Plan

Presenter: Joseph Stallings, Economic Development Director

Mr. Stallings provided a presentation of the 2019-2024 Garner Economic Development Corporation's work plan.

GEDC Purpose Articles of Incorporation

1. To engage in charitable and education efforts...to support economic development, community development and education in Garner, NC...promote the purposes of creating jobs, increasing the tax base and improving the quality of life and education in community.
3. To acquire by donation for purchase other real property for development purposes...
4. To accept donations of cash or other items of value in furtherance of and consistent with the foregoing purposes.
5. Promote and support charitable and educational purposes (as they relate to economic development), and which lessen the burden of government

Summary

1. Propose adding GEDC to the list of economic development partners with the Chamber and Downtown Garner Association
2. Appropriation will allow GEDC to continue to operate as a 501c3 and add flexibility and value to the Town's economic development efforts
3. GEDC's work plan will support a wide variety of economic development efforts throughout the community.

Council consensus to move forward with the work plan and move forward with available funding sources.

MANAGER REPORTS

The Annual Pancake breakfast is scheduled for March 22nd.

COUNCIL REPORTS

Behringer

- Reported that she attended the Town and State dinner and it was a very informative event.
- Recognized Dr. Carla Hammonds who is a Garner native who received her doctorate.

Singleton

- Reported two large sections of street lights on Timber Drive are currently not working.
- Recognized the Twitter post “Five things code compliance look at” as very informative.

Kennedy

- Reported that a Public Works Committee meeting is scheduled for March 6th at 9:30 a.m.

Discuss Council Vacancy update

Each Council member will submit up to six candidates to the Town Clerk by noon March 4th. The Clerk will provide the results to Council at the March 4th Council Meeting.

ADJOURNMENT: 8:12 p.m.

Motion: Kennedy
Second: Behringer
Vote: 4:0