

**Town of Garner
Council Special Meeting Minutes
March 26, 2019**

The Council met in a Special Meeting at 3:30 p.m. in the Council Chambers located at 900 7th Avenue, Garner, NC.

Present: Mayor Ronnie Williams, Mayor ProTem Ken Marshburn, Council Member Kathy Behringer, Council Member Buck Kennedy and Council Member Gra Singleton.

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager-Development Services, Matt Roylance-Asst. Town Manager-Operations, Chris Johnson-Town Engineer, Pam Wortham-Finance Director, Brandon Zuidema-Police Chief, Het Patel-Senior Planner, Mike Franks-Budget & Special Projects Manager, Rick Mercier-Communications Manager, Forrest Jones-Public Works Director, William E. Anderson-Town Attorney, and Stella Gibson-Town Clerk

Adoption of Agenda

Motion: Marshburn
Second: Behringer
Vote: 4:0

2013 Bond Program Update

At the November 2018 Council Retreat, staff presented an update on committed and available funds from the 2013 Street & Sidewalk and Parks & Recreation Bonds. The report has been updated to reflect commitments made and refined cost estimates received since that time.

After the Retreat, several Street & Sidewalk project estimates have been refined and commitments have been made, changing the unallocated fund balance to \$334,756. These changes include:

- Committing \$1,300,000 for Jones Sausage Road design
- Removing \$1,100,000 for Hwy 70 Lighting and Landscaping (with a commitment to pursue a lighting plan with Duke Energy)
- Committing approximately \$250,000 for improvements to Lake Drive to be completed in conjunction with the Hwy 50 Bridge project (this is an early estimate)
- Changing the Main Street Streetscape commitment previously estimated at \$545,000 to \$600,000 to account for existing utility relocations (estimate only)

Since the previous update, the Parks & Recreation fund balance has changed to \$347,800. This change is due to the commitment of \$118,000 to offset a CDBG funding gap for the Recreation Center and \$130,000 to fund signage not originally included in the project budget. The original commitment of \$750,000 for the South Garner Greenway remains until a decision is made to repurpose those funds.

Council comments and concerns:

- Don't earmark \$334,756 Unallocated Bond Funds.
- Have financial obligation for bridge and Lake Drive.
- Design of stormwater will come from fund balance.
- Design and cost estimates for splash pad in the works (need to determine funding and site location)
- South Garner Greenway on hold for now, \$750,000 is not sufficient for the project; plans for preliminary designs are being paid out-of-pocket in on-going operating budget. Council allocated funds from the Greenway project and design work is being charged there (\$32,000). No funds have been spent from the \$750,000. Only the initial phase has been authorized.

Bond Sale Update

It was discussed at Council's retreat in November that the plan was to sell the remaining bonds in August 2019. The projects are lining up, and we will be ready to move forward on that schedule.

Our fourth and final bond sale for the 2013 bonds is scheduled for August 27. The closing date for the sale is September 17. We will be selling \$7,190,000. Of this amount \$6,591,000 is the remaining portion for the Streets and Sidewalks allocation, with the remainder of \$599,000 for Parks and Recreation allocation. This will bring the total amount borrowed from the GO bonds to \$35,715,000.

Future Bond Planning

Staff has identified the following requirements that would enhance the Town's ability to successfully complete an upcoming referendum.

Bond Schedule – Two timelines that could be utilized for an upcoming referendum - November 2020 or November 2021.

Funding Options – Staff provided an overview of the various funding scenarios that were prepared by Davenport as part of the Council Retreat. In addition, a brief overview of the identified requirements and some potential requirements for the upcoming referendum were discussed.

Resource Requirements:

- Capital Project Manager (\$94K): Position would oversee major capital projects and maintain quality of services for construction administration.
- Transportation Design Software (\$5K): Would allow staff to review alternatives analysis, estimate quantities/costs and provide conceptual renderings/videos for internal purposes, Council review and in initial project scoping with consultants.
- Temporary Financial/Communication Support (\$50K): Would provide supplemental staff during peak workload periods.

Preliminary expenditures not covered by a reimbursement declaration can be reimbursed up to 20% of the amount borrowed for the project. Preliminary expenditures are for architectural, engineering, surveying, soil testing and similar expenditures that are incurred prior to actual construction, other than land acquisition and site preparation. All other costs such as land acquisition and construction costs are

fully reimbursable with a reimbursement declaration. Reimbursement of these expenditures must be made no later than 18 months after the later of (a) the date the original expenditure is paid or (b) the date the project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.

Transportation Calendar

Transportation Calendar	November 2020 Timeline	November 2021 Timeline
Review Transportation Plan Project List	March 2019 - April 2019	March 2019 - July 2019
Hold Staff Transportation Committee Meetings	April 2019 - May 2019	August 2019 - October 2019
Obtain Public Input	June 2019 - July 2019	November 2019 - December 2019
Review Identified Projects with Planning Commission	Aug-19	Jan-20
Review Projects with Council	Sep-19	Feb-20
Consultant Review of Identified Projects	October 2019 - February 2020	March 2020 - February 2021
Review Consultant Estimates with Council and Finalize Project List	March 2020 - May 2020	March 2021 - May 2021
Public Outreach and Other Bond Related Activities	May 2020 - November 2020	May 2021 - November 2021
Jones Sausage Calendar		
Consultant Review	March 2019 - April 2019	March 2019 - April 2019
Conceptual Design	May 2019 - August 2019	May 2019 - December 2019
Submit Jones Sausage to CAMPO	August 2019 - October 2019	August 2020 - October 2020
Receive Decision on Jones Sausage	January 2020 - February 2020	January 2021 - February 2021
Receive Funding for Jones Sausage	Oct-20	Oct-21
Right of Way Acquisition	October 2020 - June 2021	October 2021 - June 2022
Construction	Oct-21	Oct-22

Parks Calendar

Park Calendar	November 2020 Timeline	November 2021 Timeline
Continue Comprehensive Master Planning Process	March 2019 - January 2020	March 2019 - January 2020
Review Potential Park Projects	Jan-20	January 2020 - March 2020
Hold Staff Park Committee Meetings	Feb-20	April 2020 - May 2020
Obtain Public Input	Mar-20	June 2020 - July 2020
Review Identified Projects with the Parks and Recreation Advisory Committee	Apr-20	Aug-20
Review Projects with Council and Finalize Project List	May-20	September 2020 - May 2021
Public Outreach and Other Bond Related Activities	May 2020 - November 2020	May 2021 - November 2021
Major Park Project(s)		
Continue Comprehensive Master Planning Process *	March 2019 - January 2020	March 2019 - January 2020
Review Master Plan with Parks and Recreation Advisory Committee	Feb-20	February 2020 - April 2020
Review Master Plan with Council	Mar-20	May 2020 - July 2020
Review Project Scope and Obtain Additional Information on Projects (if necessary)	Apr-20	July 2020 - April 2021
Finalize Project Scope for Referendum	May-20	May-21

* Yergan Master plan may not be on the same schedule as Meadowbrook Master Plan

Debt Capacity Case Summary – Cases 1-3



A	B	C	D	E	F	G	H	I
Case			Case 1A	Case 1B	Case 2A	Case 2B	Case 3A	Case 3B
1	FY 2022 Equivalent Tax Impact		0.00¢	0.00¢	1.00¢	1.00¢	2.00¢	2.00¢
2								
3	Amortization							
4	August 2019 (FY 2020) Issuance		Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal
5	Future GO Debt		Level Principal	Structured Principal*	Level Principal	Structured Principal*	Level Principal	Structured Principal*
6								
7	Debt Issued							
8	August 2019 (FY 2020) Issuance		\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000
9								
10	FY 2021 - Future GO		13,430,000	15,840,000	16,320,000	18,810,000	19,210,000	21,810,000
11	FY 2023 - Future GO		6,715,000	7,920,000	8,160,000	9,405,000	9,605,000	10,905,000
12	FY 2025 - Future GO		6,715,000	7,920,000	8,160,000	9,405,000	9,605,000	10,905,000
13	Subtotal: Future GO		\$ 26,860,000	\$ 31,680,000	\$ 32,640,000	\$ 37,620,000	\$ 38,420,000	\$ 43,620,000
14								
15	Total		\$ 34,051,000	\$ 38,871,000	\$ 39,831,000	\$ 44,811,000	\$ 45,611,000	\$ 50,811,000
16								
17	Total Debt Service		\$ 52,240,278	\$ 63,660,994	\$ 61,054,778	\$ 72,945,834	\$ 69,869,278	\$ 82,374,916
18								
19	Debt Ratios (Worst Shown)	Existing Policy						
20	10-Year Payout	56.10% 50.00%	54.29%	50.04%	53.99%	50.12%	53.56%	50.07%
21	Debt to Assessed Value	1.08% 2.00%	1.43%	1.50%	1.51%	1.57%	1.59%	1.66%
22	Debt Service to Expenditures	10.80% 15.00%	14.85%	14.81%	16.00%	15.92%	17.11%	17.01%
23	Years Out of Compliance		0	0	4	4	8	8
24								
25	Growth Assumptions							
26	Assessed Value - FY 2020 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
27	Assessed Value - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
28	Expenditures - FY 2018 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
29	Expenditures - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* Subject to review and discussion with LGC Staff

Debt Capacity Case Summary – Cases 4-6



A	B	C	D	E	F	G	H	I
Case			Case 4A	Case 4B	Case 5A	Case 5B	Case 6A	Case 6B
1	FY 2022 Equivalent Tax Impact		3.00¢	3.00¢	4.00¢	4.00¢	5.00¢	5.00¢
2								
3	Amortization							
4	August 2019 (FY 2020) Issuance		Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal	Structured Principal
5	Future GO Debt		Level Principal	Structured Principal*	Level Principal	Structured Principal*	Level Principal	Structured Principal*
6								
7	Debt Issued							
8	August 2019 (FY 2020) Issuance		\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000	\$ 7,191,000
9								
10	FY 2021 - Future GO		22,100,000	24,800,000	24,990,000	27,810,000	27,880,000	30,770,000
11	FY 2023 - Future GO		11,050,000	12,400,000	12,495,000	13,905,000	13,940,000	15,385,000
12	FY 2025 - Future GO		11,050,000	12,400,000	12,495,000	13,905,000	13,940,000	15,385,000
13	Subtotal: Future GO		\$ 44,200,000	\$ 49,600,000	\$ 49,980,000	\$ 55,620,000	\$ 55,760,000	\$ 61,540,000
14								
15	Total		\$ 51,391,000	\$ 56,791,000	\$ 57,171,000	\$ 62,811,000	\$ 62,951,000	\$ 68,731,000
16								
17	Total Debt Service		\$ 78,683,778	\$ 91,746,336	\$ 87,498,278	\$ 101,222,464	\$ 96,312,778	\$ 110,463,836
18								
19	Debt Ratios (Worst Shown)	Existing Policy						
20	10-Year Payout	56.10% 50.00%	53.17%	50.08%	52.81%	50.01%	52.48%	50.08%
21	Debt to Assessed Value	1.08% 2.00%	1.66%	1.78%	1.77%	1.90%	1.89%	2.02%
22	Debt Service to Expenditures	10.80% 15.00%	18.20%	18.06%	19.26%	19.10%	20.29%	20.10%
23	Years Out of Compliance		9	9	10	10	11	11
24								
25	Growth Assumptions							
26	Assessed Value - FY 2020 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
27	Assessed Value - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
28	Expenditures - FY 2018 - 2024		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
29	Expenditures - FY 2025 & Beyond		2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

* Subject to review and discussion with LGC Staff

Case 3A Scenario – 2¢ Increase with Structured Level Principal

Funding of \$38,420,000
 Less \$8M for Jones Sausage
 Less \$4.0 for sidewalks
 Less \$20M for park and greenway projects
 Remaining balance of \$6.42M

Sample of other capital requirements
 Other transportation requirements
 Fire Station 5
 Stormwater projects
 Space Needs Assessment
 Public Works Facility
 Police large evidence storage
 Town records storage

ADJOURNMENT: 5:10 p.m.

Motion: Marshburn
 Second: Singleton
 Vote: 4:0