

**Town of Garner
Council Special Meeting Minutes
April 9, 2019**

The Council met in a Special Meeting at 3:30 p.m. in the Town Hall Training Room at 900 7th Avenue, Garner, NC.

CALL MEETING TO ORDER/ROLL CALL: Mayor ProTem Marshburn

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

Staff Present: Rodney Dickerson-Town Manager, John Hodges-Asst. Town Manager-Development Services, Matt Roylance-Asst. Town Manager-Operations, Brandon Zuidema-Police Chief, Lori Smith-Police Captain, Mike Franks-Budget & Special Projects Manager, BD Sechler-Human Resources Director, Rick Mercier-Communications Manager, Pam Wortham-Finance Director, Matt Poole-Fire Chief, and Stella Gibson-Town Clerk

ADOPTION OF AGENDA

Motion: Kennedy
Second: Behringer
Vote: 5:0

BUDGET DISCUSSION

Mr. Franks presented the following information regarding the FY 2020-2024 Multi-Year Budget Forecast:

Presentation Overview

- Baseline Multi-Year Forecast
- Future Year Department Requests
- Fire Merger Requirements
- Future Park(s) Requirements
- Stormwater Requirements
- PFRM Requirements

Multi-Year Forecast Assumptions Cont.

- Revenue
 - *Real Estate Based on Current Staff Estimates*
 - 400 units a year with an average price of \$280k
 - Amazon and other Economic Development forecasts
 - *4 percent increase for Sales Tax*
 - *7.5 percent increase for Building Permit Fees*
 - *1-2 percent increase for all other revenue categories*

- Fund Balance
 - Used only for prior commitments – VERT and UDO
 - Revenue Savings Plan utilized for debt service in FY 2022 and beyond per Davenport model

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Projected Budget | Projected Budget | Projected Budget | Projected Budget | Projected Budget |
| Categories | | | | | |
| Revenue Categories | | | | | |
| Property Tax | \$19,520,115 | \$20,859,270 | \$21,690,133 | \$23,420,426 | \$24,344,556 |
| Permits and Fees | 2,302,080 | 2,395,822 | 2,495,490 | 2,601,512 | 2,714,348 |
| Other Taxes and License | 7,148,010 | 7,429,280 | 7,721,755 | 8,025,881 | 8,342,127 |
| Intergovernmental Revenue | 3,344,780 | 3,391,141 | 3,438,159 | 3,485,844 | 3,534,206 |
| Sales and Service | 671,609 | 681,683 | 691,908 | 702,287 | 712,821 |
| Interest Earnings | 540,000 | 548,100 | 556,322 | 564,666 | 573,136 |
| Other Revenue | 191,000 | 193,865 | 196,773 | 199,725 | 202,720 |
| Total Revenue | \$33,717,594 | \$35,499,161 | \$36,790,540 | \$39,000,342 | \$40,423,914 |
| Other Financing Sources | \$2,281,828 | \$2,162,846 | \$1,915,179 | \$2,860,513 | \$3,615,103 |
| Total Available Resources | \$35,999,422 | \$37,662,007 | \$38,705,719 | \$41,860,855 | \$44,039,017 |
| Department Expenditures | | | | | |
| Governing Body | 500,967 | 391,671 | 462,904 | 414,700 | 487,096 |
| Administration | 1,663,573 | 1,718,720 | 1,785,402 | 1,847,398 | 1,911,898 |
| Finance | 874,410 | 903,169 | 935,036 | 964,886 | 995,854 |
| Economic Development | 307,236 | 317,209 | 327,552 | 337,223 | 347,288 |
| Planning | 777,285 | 810,562 | 844,172 | 875,480 | 908,138 |
| Building Inspections | 1,207,958 | 1,252,362 | 1,299,934 | 1,344,353 | 1,390,784 |
| Engineering | 658,274 | 686,270 | 715,523 | 742,605 | 770,865 |
| Information Technology | 704,557 | 727,642 | 751,521 | 774,001 | 797,315 |
| Police | 8,079,461 | 8,402,303 | 8,724,840 | 9,027,036 | 9,342,476 |
| Fire and Rescue | 3,408,021 | 3,544,342 | 3,686,116 | 3,833,560 | 3,986,903 |
| Public Works | 8,880,732 | 9,105,423 | 9,348,356 | 9,584,824 | 9,829,413 |
| Parks, Recreation and Cultural Resources | 2,428,794 | 2,502,061 | 2,573,223 | 2,640,136 | 2,709,778 |
| Debt Service | 3,758,355 | 4,195,675 | 3,938,446 | 5,556,922 | 6,382,100 |
| Special Appropriations | 1,990,179 | 2,110,538 | 2,128,746 | 2,148,925 | 2,171,059 |
| Transfers | \$2,211,716 | \$2,381,668 | \$2,454,413 | \$2,703,579 | \$2,954,129 |
| | \$37,451,518 | \$39,049,614 | \$39,976,182 | \$42,795,629 | \$44,985,096 |

Structural Deficit

Based on the current five-year forecast, projected increases in revenue will not significantly reduce the structural deficit.

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|----------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| | Projected Budget | Projected Budget | Projected Budget | Projected Budget | Projected Budget |
| Total Available Resources | \$35,999,422 | \$37,662,007 | \$38,705,719 | \$41,860,855 | \$44,039,017 |
| Less Total Expenditures | \$37,451,518 | \$39,049,614 | \$39,976,182 | \$42,795,629 | \$44,985,096 |
| Net Balance/(Shortfall) | (\$1,452,096) | (\$1,387,607) | (\$1,270,463) | (\$934,774) | (\$946,079) |

FY 2021 Summary

| | |
|-----------------------------|--|
| Projected Revenue Increase | \$1,660,000 |
| | -\$700,000 Projected Personnel Increase |
| | -\$437,000 Projected Debt Increase |
| | -\$383,000 Projected RSP Increase |
| Projected Remaining Balance | \$140,000 |

FY 2021 New Requests

- Three Firefighters
- One Transportation Planner
- Scotty McCreery 10 Year Homecoming Festival
- One Criminal Investigator
- One Domestic Violence Victim Advocate
- One Police Fleet Coordinator
- Upgrade Two Street Maintenance Workers to Street Equipment Operators
- Convert Two Grounds Maintenance Workers to Full Time
- One Inspection Plan Reviewer
- One Code Compliance Officer

FY 2022 New Requests

- One Planner
- Two Patrol Officers
- One Supplemental Quartermaster
- Data Analyst
- Fleet Mechanic
- Building Maintenance Technician
- Grounds Playground/Component Specialist

FY 2023 New Requests

- Building Maintenance Technician
- Street Sweeper Operator

FY 2024 New Requests

- Two Patrol Officers
- One Right of Way Lead Equipment Operator
- Two Right of Way Maintenance Workers

Additional Future Item – Fire Merger

- Future merger will have a variety of impacts
 - *Administrative impacts associated with additional personnel, accounts payable/receivable requirements, IT requirements etc...*
 - *Operational impacts associated with facility management, fleet etc.*
 - Additional analysis will be required to determine the impact but additional funding/resources will be required

Additional Future Items – New Park(s)

- The Public Facilities Repair & Maintenance Process has identified annual requirements of approximately \$400k in the current CIP
 - *Additional needs have not been added recently based on limited funding*
 - The Asset Management System in Public Works will enhance staff’s ability to make informed asset lifecycle decisions but this process is dependent on funding being available to perform proactive maintenance when recommended

Additional Future Items - Stormwater

- Infrastructure study reviewed condition of pipe systems 30 inches or larger
 - *High priority projects are being studied with an estimated cost of \$1.2 million*
 - *Additional projects with a cost of \$1.1 million are included in the CIP*
 - *Future projects have not been included in the CIP but will materialize*
 - The condition of pipes under 30 inches has not been reviewed
 - Maintenance efforts in Public Works are primarily reactive in nature and result in significant unbudgeted cost
 - Additional funding will be required to meet both capital and operating needs

PFRM Requirements

- The Public Facilities Repair & Maintenance Process has identified annual requirements of approximately \$400k in the current CIP
 - *Additional needs have not been added recently based on limited funding*
 - The Asset Management System in Public Works will enhance staff’s ability to make informed asset lifecycle decisions but this process is dependent on funding being available to perform proactive maintenance when recommended

Council asked several questions to clarify the information presented.

ADJOURN: 5:07 p.m.

Motion: Marshburn
Second: Behringer
Vote: 5:0