

TOWN OF BROADWAY
BOARD OF COMMISSIONERS
BUDGET WORK SESSION

MAY 12, 2015

The Board of Commissioners held a budget work session on Tuesday, May 12, 2015 at 2:00 p.m. at the Council Chambers, 102 East Lake Drive, Broadway, North Carolina.

Board members present were Mayor Donald Andrews, Commissioners Tommy Beal, Woody Beale, Jim Davis, Lynne Green, and Janet Harrington. Also, Town Manager Dustin Kornegay and Town Clerk Laura Duval were present.

Mayor Andrews began the session by reviewing projects completed in fiscal year 2014-2015 as well as future projects.

Infrastructure

West Lake Drive was paved.

The downtown business parking lot was paved and striped.

Colonial Drive may need to be paved in fiscal year 2016-17. It has several sewer cuts and needs to be resurfaced and striped.

West Harrington will need to be resurfaced at some point. It also has several sewer cuts. That should probably be on hold until the remaining lots are sold.

The streetlights will be changed to LED after July 1.

The Mayor met with DOT, along with the City and County, last Friday and mentioned the Broadway Road improvement. He requested that DOT complete the two ends of Main Street because that is more important than getting the middle section done. Once again, the state is re-prioritizing how they do projects. The Main Street project could possibly be moved up.

Graveling Thelma Sloan Drive, on the two ends of First Street and Main Street, needs to be done.

Sewer

All back up generators have been purchased for the lift stations.

Cemetery

The interior driveways have been paved. Work needs to be done on the new section. Sod was planted in the fall of 2013, and the mowed down pine seedlings were replaced. When the trees are about three feet tall, Craig plans to stake

them. Three years of growth were lost when they were mowed down. There are approximately 50 plots left in the last section of the cemetery. The new section will require surveying and plotting before it can be used.

Buildings

The Town Hall is still an issue. Renovations would cost approximately \$250,000, and the Town would still be left with an old building. Commissioner Green stated that she is very concerned about the welfare of the staff and the public. The building is a health and safety hazard.

In the future the library may be available. The County plans to re-evaluate its use later on. The library is large enough to house the Town Hall but is not large enough to accommodate the police station, also. The Town may qualify for a USDA loan at 2%. There are no grants available, so the Town would have to borrow the money.

Another option would be building a Town Hall on the corner lot beside the community building or tearing down the existing Town Hall and rebuilding on the same site. Both the police station and the Town Hall could be extended in the back for more storage.

The Board agreed to explore all options and get plans and costs this year.

The remodeling of the Community Building will have to be done in phases over a few fiscal years. It definitely needs new exterior doors and possibly windows. The holly bushes were pulled up and will be replaced with low growing juniper. The Mayor and Town Manager will develop a maintenance schedule.

Windows at the maintenance shop need to be boarded up and painted white because they are broken out.

Other Projects Completed

A police car was purchased as scheduled, and the tractor was purchased.

The Council Chamber parking lot has been resurfaced. There was some work done to the walking trail.

Lights were added to the welcome sign on the north side of Town.

The Fire Department has agreed to grease and paint the fire hydrants. The Town will supply the paint, and the fire department will supply the manpower.

Town Manager Kornegay reviewed the budget message. The total budget has been cut 1.6%. Mr. Kornegay recommended the tax rate remain at \$.44 per \$100

of valuation. He explained slight increases are expected in ad valorem and sales tax revenue due to the economy improving. There is a 2.1% increase in the Water and Sewer Fund because one quarter of the Clerk's salary is being moved to this fund since a big portion of her job deals with water and sewer. The tractor will be paid off in fiscal year 2015-2016, which will enable some future improvements to the sewer system that are greatly needed. Reimbursement of the General Fund will be completed during 2016-2017.

The Town Manager explained the breakdown of expenditures in three categories by percentages. Operating Expenditures account for 49% of expenditures, Personnel accounts for 45%, and Capital Outlay makes up 6% of expenditures. Revenue must increase during 2016-2017 in order to make any building improvements.

Town Manager Kornegay reviewed the proposed budget for fiscal year 2015-2016.

The Town Board agreed to leave their salaries as they are currently. The Town Manager is recommending a 2% COLA for employees.

Governing Body - An election will be held in the fall so the cost of the election (\$3,178) was obtained from Nancy Kimball with the Board of Elections.

Administration – Capital Outlay increased last year because a computer was purchased for the Town Manager. Costs are down in salary and benefits due to the change in the Town Manager position. Telephone has increased because of WiFi and internet installation for the new manager.

Finance – There is a decrease in salaries because a quarter of the Clerk's salary and payroll tax/benefits have been moved to Water & Sewer Fund. Professional Services has decreased because of the new auditors.

Maintenance – The Town has been on a three year plan to purchase trucks, so money was budgeted for a scheduled purchase. If we hold off another year to buy a truck, this money could be used for something else. Mr. Kornegay feels the trucks are in good shape right now.

Police – The difference in police salaries is a result of Casey leaving and rehiring Neil at the same salary he was paid at the sheriff's department. Town Manager Kornegay believes that Neil is a great officer and is worth the extra amount.

Departmental Supplies – Todd has requested that new guns be purchased this year. Their current guns have a trade in value of \$250 each. They were purchased in the mid to late nineties, so they are roughly 20 years old. Other police departments have a policy to replace guns every five to seven years. The Town Manager would like to honor Todd's request. He has also checked on body

cameras. The actual cost of one camera is affordable at \$53. The greatest expense would be in the purchase of a computer for downloading the video and the accompanying software. Commissioner Davis stated the Harnett County Sheriff's Department has been prohibited from wearing body cameras until the legislature makes a determination. The Town Board agreed to wait until the General Assembly has ruled on the public/private issue. The Town would have to develop policies for use and storage requirements. There are too many unknowns at this point, so the Town Board will continue to monitor the General Assembly's decision on body cameras.

Special Appropriations – There is a slight increase in Street, Utilities because of the change to LED lighting. The savings in electricity will cover the cost within a year's time. Waste Industries will not increase their rates this year. Town Manager Kornegay has reduced Cemetery Capital Outlay because the new section of the cemetery is not ready to be paved. The sod has to take hold first. The new section will be opened when most of the available lots are sold in Section G. When the decision is made about the festival, money can be moved to that line item.

Mr. Kornegay referred to the overview of the General Fund Expenditures and corresponding graph that illustrates percentages.

Mayor Andrews instructed the Town Manager to include a color printer in the budget.

General Fund Revenue – Town Manager Kornegay explained there will be a minimal increase in property tax. That figure is based on the numbers received from the county. The local option sales tax is conservative based on the numbers the NCLM gave us. Utility Franchise Tax is also a conservative estimate. Two to three months of income will be generated from the cell tower. Reimbursement of the water & sewer fund will be paid off in two years. The interlocal agreements remain the same.

The Town Manager is proposing a \$50 increase in community building rental fees. An in-town resident will now pay \$150 to rent the building and an out-of-town resident will pay \$200. The cleaning deposit will remain the same at \$200. The Town Board is in agreement with the increase.

Water & Sewer Fund Expenditures – There is a significant increase in salaries since a quarter of the Clerk's salary has been moved there. The same reasoning applies to employee benefits. The tractor will be paid off in 2015-2016. There are a few line items that have come under budget every year, so Mr. Kornegay has made cuts in those. Contract Services has been cut \$1,000, Engineering Services has been cut \$3,000 and Capital Outlay has been cut \$6,000.

Water & Sewer Fund Revenue – Since water and sewer rates were raised last year, the Town has been averaging \$30,000 per month in revenue. Everything else will remain as it has been. Reconnect fees include late fees, also.

Town Manager Kornegay stated that staff have been very supportive during his first Town Manager position, and he feels they deserve a 2% increase. They have made his transition as smooth as possible and work hard every day.

The Commissioners thanked the Town Manager for the hard work that he did on the budget, and they thought he did a great job.

The budget work session was adjourned.

Donald F. Andrews
Mayor

Laura K Duval
Town Clerk