

TOWN OF BROADWAY
BOARD OF COMMISSIONERS
BUDGET WORK SESSION

APRIL 25, 2019

The Town Board met to discuss the proposed annual operating budget for fiscal year 2019-2020. Board members present were Mayor Andrews, Commissioners Tommy Beal, Woody Beale, Lynne Green, Janet Harrington and Jim Paschal. Also, Town Manager Dustin Kornegay and Town Clerk Laura Duval were present.

First item on the agenda: Watson Lake Dam Project –

Dam Site Survey – no pricing yet. Not urgent issue with consultant.

Geotechnical borings – conducting borings into the dam this week and results will be sent next week. There are signs of seepage on the back side.

Lake lowering – obtaining price from Underwood for lowering the lake. Will be lowered in the fall. Water will be pumped out of the lake in the riser.

Drop lake down enough to find the door. Unsure if door works. Need the ability to lower the lake if needed.

Spillway and riser inspections – Riser (chimney) may be ok. Water falls in on riser. Two pipes are on the other side of the dam and feed into the riser. However, they could not see into one of the pipes.

Repairs and upgrades – The cost will determine how quickly the work can be completed. It may be a ten-year plan.

Buildings and Facilities:

A. Town Hall Update – Parking lot has cracks that need to be filled.

B. Community Building –

Paint bathrooms & kitchen – popcorn ceiling will be changed to flat ceiling by the end of June.

Additional lighting in bathrooms – is being worked on now.

Repair front door – will be done by May 1.

Paint exterior building & shelter – will be painted May 1.

Broadway Construction Services is doing the painting for a cost of \$4,000.

Facility Rent – The Board felt the out-of-town rental should be increased to \$250 effective July 1.

C. Maintenance Building -

Repair/Replace/Close windows on building.

- D. Garage Building -
Seal area around chimney - paint is peeling due to moisture getting under it.
Paint exterior – sometime in the future.
Plans to convert former Tiny Tots space into facility for memorabilia.
- E. Wells on First St -
Apparatus is still inside, and it would be very expensive to close them.
- F. Watson Lake Storage Building -
Files and storage items are kept there.

Trash & Recycling Program:

- A. Rate Increase – In July recycling is going up \$1 per recycling cart per month.
- B. Recycling Program – The Town Board decided to continue with recycling.

Cemetery:

- A. Add trees around border of new section – a few crepe myrtles would add color.
- B. New section layout timeline (digitize plots) – a few plots have been sold in new section.
- C. Plot Cost - \$650 in-town rate - \$1,300 out-of-town rate. These rates will remain the same.
- D. Digitize lots in the old section – cemetery maps are on cardboard. Cost unknown. The Board agreed the maps should be digitized. TJCOG may be able to help get a grant for this expense.

The Town Board commented that the cemetery looks good and agreed that Tommy Fore does a good job keeping up the cemetery.

Streets:

- A. Re-surfacing Projects -
Church & Holt Streets – should be completed by June 30.
300 block of First St needs to be cut & patched in front of the Collins' house. There was a water main break at this location last year.

Colonial Drive – needs to be resurfaced and striped after more Powell Funds are accumulated.

W. Harrington (Hazel, Ruth Ann, Crystal) - long range, big expense.

- B. Sealing Phase 3 – all streets on the list have been sealed except First St.
- C. Striping Phase 3 – all streets on the list have been striped except First St.
- D. Roots Removal & Patching – Third St & Knowledge have been done. The following streets are next on the list: Beale Drive, Edgewater Drive, E Lake/Stevens.
- E. Drainage -
 - Church & Holt (catch basin/screening) – pipe gets full of debris but has been cleaned out. Drainage works but may need screening over pipe.
 - 115 W Lake (catch basin/screening) – drains slow, pipe gets full of leaves. Drainage works but pipe may need screening.
 - End of Colonial (ditch remediation) – Stevie Cox is working on this now. It should help the water flow, but this work will not solve the problem at 520. The property owner will have to get some work done.
- F. Sidewalks - Mansfield to 121 S. Main St – NC DOT Project EB5870. RFLOI's will be sent out in the spring/summer for qualifications then the Town decides on the engineer. Construction for the sidewalks is set for 2021. There are a few places where utility poles prohibit five feet of sidewalk, so it will be cut to 4 feet in those areas.
- G. N. Main Street Improvements - NCDOT Project 3830. Right of way and easement acquisitions are pretty much complete. Construction has been moved to April of 2021. Sidewalks will be installed from 112 N. Main (Dollar General) to Gilbert Lett Drive and from 209 N. Main (First Bank) to Gilbert Lett. That will place sidewalks on both sides of the road.
- H. Welcome sign at Broadway Road & Dixie Farm Rd – sign cannot be moved until Duke Energy completes their work. DOT has offered \$25,000 for the sign. The plaques will be removed from the old sign. The Town Board will adopt a resolution at the next meeting to accept the money from DOT.

Parks:

- A. NCVM -
Proposed NC DAV Monument – it's still being worked on by construction committee.
Replace brick chips in planting beds.
- B. Watson Lake Park -
Walking trail – needs to be re-habed. Lower end is worn badly. Tommy does a good job of keeping it clean and sprayed. In the future maybe the size of the rocks can be changed and a buffer added to keep the trail from washing away.
Playground area & padding (sand or mulch).
Added benches, picnic tables & trash cans.
- C. Community Center –

Playground equipment - installed behind it at some point.
- D. Town Clock – A rep with Vernon Clock Company met with the Mayor about a replacement. The demolished clock was 14.1 ft tall. Vernon has a Georgetown model that lights up at night and is satellite controlled like the other clock. The only difference is the height and post. It is 15 ft tall. Another option is The Madison, which is 14.9 ft tall. The cost is approximately \$13,000. The clocks have a different header and post. The header will have 1907 on it, and the face will have Town of Broadway just like the original clock. Vernon will install the clock, and Custom Monument will replace the damaged bench and clean and move the rock at a cost of \$2,200. Wright Masonry plans to give us a price on placing the patio brick as it should be. The clock was insured, so the Town will receive some insurance money. The Town Board agreed that Wilson and Sharon Cox should have input on choosing the replacement clock since they gave the first one.

Police Department:

- A. National Incident-Based Reporting System – software is mandated by FBI & DOJ. It costs approximately \$19,000 and must be installed by 2020. The money is included in the budget.
- B. Vehicle Replacement Schedule – none this year.
- C. Cameras – cost of storing videos unknown. Software purchase will take precedence over body cameras.

- D. Cameras Exterior of Town Hall – there are two cameras outside, and the chief would like to add another one pointed towards the caution light. Another one is needed in the back, also. The cameras are \$200 - \$300 each.

Public Works:

- A. Vehicle Replacement Schedule – The Town Manager’s truck (2006) was totaled, and the Town will receive an insurance payment of \$7,000. We will start” specing” out a vehicle in July on state contract.
- B. Landscaping Schedule – Tommy is handling the landscaping.
- C. Relocation of water lines – Withers-Ravenel has finished with the design phase. The actual relocation date has not been set.
- D. Mapping water & sewer system – The Town Manager will meet with TJCOG to discuss the possibility of getting help with a grant to digitize the system.
- E. Long Range Planning – Once the sewer bond is paid, it will be time to start replacing water lines. The 40-year life span is way past that.
- F. Fire hydrant repair & maintenance – A few of the fire hydrants have to be raised up per the state fire marshal’s office.

Community Projects:

- A. Festival/Events – The Town Board agreed to leave the date on the 3rd Saturday of April. Manpower and money are the two biggest challenges. It costs approximately \$25,000 that must be raised because no taxpayer money funds the festival. The TDA may contribute to the festival. Some logistics need to be changed such as the location of the kids’ activities, and the barbecue contest needs to be revamped. At the end of the summer, there will be a meeting to determine if there is enough interest in continuing the festival. Christmas in the Park will be held on December 1. A Memorial Day Service will be held May 27 at 10:00 a.m. at the NCVM.
It was mentioned that a smaller community event could be held if the decision is made not to have the festival. Maybe in the fall an event could be held between Forest Avenue and McLeod Avenue with a smaller number of food vendors, a few other vendors and some entertainment at the NCVM.

- B. Christmas Lights on Water Tank – The Town Manager is exploring options for that.
- C. Website – Needs to be updated; hasn't been done in four or five years.
- D. One Call Promotion – No one signed up. Information can be put in newsletter.
- E. Newsletter – hasn't been sent out in a few years. May send out one with reminders of pertinent Town information such as debris pick up, grease disposal, etc.

Personnel:

- A. Administration
 - B. Public Works
 - C. Police Department
- Key employees in each department will soon be eligible for retirement. Their replacements are going to cost much more money, so we need to keep this in mind during future planning.

Fiscal 2019/2020 Budget

Town Manager Kornegay presented the proposed budget for fiscal year 2019-2020.

General Fund Expenditures:

Governing Body - The Mayor and commissioners agreed to leave their salaries as they are currently. The Town Manager is recommending a 2% COLA for employees. Parker Holland estimated election expenses at \$5,559, which may be a little high. Travel reimbursement was increased \$100 to cover travel expenses to TJCOG and any classes commissioners would like to take. Mr. Kornegay budgeted a slight increase in miscellaneous.

Administration - The service bonus is paid to employees based on \$20 per year of service. \$3,540 is the total for all employees. Mr. Kornegay budgeted a 10% increase in health insurance. The premiums will not actually increase until January. Other insurance premiums (life, dental, vision) remain the same. Departmental Supplies is increased to \$4,500. The Town Manager increased Telephone Expenses slightly. The Town does appear to be saving money with Charter Spectrum. Advertising remains the same and covers the cost of publishing public notices and public hearings. There is an increase in Contracted Services, which covers the utility billing and accounting software. Mr. Kornegay

did not budget for Capital Outlay because we have all new equipment in the Town Hall. He budgeted a slight increase for Miscellaneous.

Finance – The Town Manager reminded the commissioners that 33% of the clerk’s salary is budgeted in Water & Sewer Fund. Professional Services includes the cost of the auditor’s contract and interlocal agreements with the City of Sanford. The Town has two more years on the audit contract with Joyce & Company. Tax Collector Fees are based on 1.5% of taxes collected by Lee County for the Town. The collection rate has gone up since motor vehicle taxes are collected at license renewal. Attorney Fees remain unchanged.

Maintenance – There is a \$10,000 increase in salaries to cover Tommy Fore’s hours. He is still part time and receives no benefits. The Town Board agrees Tommy does a good job and that is money well spent. Building Maint & Repairs (garage and shop) and Community Building Maint were budgeted at conservative amounts. These buildings have been improved over the last two fiscal years. Trucks – Maint & Repairs covers repairs and gasoline. It is hard to predict gas prices but hopefully they will not soar. Lease payment is budgeted at \$10,000 for a new truck. The cost may be around \$30,000, and the Town will purchase the truck using the three-year lease program.

Police – Police officers get 401K. Uniforms are purchased on an as-needed basis, so a conservative number was budgeted. Departmental Supplies covers ammunition. Todd’s patrol car is on the second year of the three year lease plan. \$19,000 was budgeted for Capital Outlay to cover the cost of the mandated software. Annual fees for the use of the software are \$2,500.

Special Appropriations – Streets, Powell Capital Outlay is budgeted at \$10,000. Street, Utilities were decreased to \$22,000. The Town does save on streetlights since the lights were changed to LED. Waste Industries was increased to \$97,000 since they are increasing recycling fees. Tipping Fees remain the same at \$3,500. This covers the cost of yard debris taken to Blaylock Stump Dump. Cemetery Maintenance is decreased to \$1,000 since most of the work has been completed. Planning & Inspections remains the same. This amount covers the interlocal agreements with the City. SAGA is still budgeted at \$5,000, which is the Town’s contribution. Parks & Rec is budgeted at \$33,664 to cover the work on the dam. This amount should cover lowering the lake and installing a mechanism so that Town staff can drain the lake in case of emergency. Festival is budgeted at \$5,000 for upfront expenses. The money comes from reserves and no taxpayer money funds the festival.

Debt Service - Our first debt service payment is scheduled for June 1, 2019 for \$25,942.

The total budgeted amount for General Fund Expenditures is \$942,096.

General Fund Revenue:

Property taxes are budgeted for \$453,085. This number is obtained from the county tax office based on the current tax rate of \$.49 cents. The Town has a 99% collection rate, which is very good. The reval on houses increased 4 or 5%. The Town is heavy residential. Sales tax revenue has 2% growth included. The state provides the numbers for all other taxes. Sanitation fees are increased to \$93,000, which reflect the extra recycling costs. For citizens the sanitation fee will increase from \$11.70 to \$12.70 per month. Cemetery lot sales fluctuate so that number will remain the same. Community Building Rent was increased \$1,000. The Town received a little over \$7,000 for the totaled truck. The Reimbursement from Water/Sewer Fund is the result of the lift station purchased at Underwood.

There is no change in the interlocal agreements. \$90,000 is budgeted for the interlocal agreements with Lee County.

Powell Bill Funds remain capped at \$38,000.

Total General Fund Revenue is budgeted at \$942,096.

Water & Sewer Fund Expenditures:

Salaries are made up of the Public Work Director's salary and 33% of the Clerk's salary. Benefits, FICA and retirement reflect the same.

Credit Card Services is budgeted for \$2,000. That is the cost of transacting business with credit card payments.

\$20,000 is budgeted for Contract Services. This amount varies and is used for water & sewer taps and service line repairs.

Postage remains the same at \$3,600 and covers water bill mailings.

Electricity remains the same at \$22,000. This amount covers electricity for the WWTP and four lift stations.

Engineering Services remains the same and is used for weekly and quarterly sample testing requirements, as well as, land application permits.

Water Purchases from Sanford is budgeted at \$82,000, which includes a slight increase. Our contract with them hasn't changed.

Capital Outlay is budgeted at \$34,192. This is the last year for the Utility Services tank maintenance. Extra was budgeted for getting water and sewer lines on GPS.

Three more years are left on the water/sewer bond payment. \$66,000 is budgeted for the actual payment with interest.

\$10,000 reimbursement is budgeted for the General Fund reimbursement on the infrastructure the Town purchased at the end of West Harrington Avenue.

Total Water & Sewer Fund Expenditures is budgeted at \$ 381,000.

Water & Sewer Fund Revenue:

There is a slight increase budgeted in Water & Sewer Revenue at \$365,000. Other line items remain the same except Reconnect Fees, which was decreased to \$12,000. Reconnect fees include late fees, also.

Total Water & Sewer Fund Revenue is \$381,000.

The 2019-2020 total budget for General Fund and Water & Sewer Fund is \$1,323,096.

Revenue neutral is \$.48. The Town Board agreed the current tax rate of \$.49 per \$100 valuation is required for the upcoming budget year.

The budget work session was adjourned.

Donald F. Andrews
Mayor

Laura K Duval
Town Clerk