

TOWN OF WENDELL
BOARD OF COMMISSIONERS BUDGET WORK SESSION MINUTES
April 29, 2019

The Wendell Town Board of Commissioners held their scheduled budget work session meeting on Monday, April 29, 2019, in the Town Board Room, Wendell Town Hall, 15 East Fourth Street.

PRESENT: Mayor Virginia Gray; Mayor Pro Tem Jon Lutz; Commissioners: John Boyette, Jason Joyner and David Myrick.

ABSENT: Commissioners Ben Carroll

STAFF PRESENT: Town Manager Marc Collins, Special Assistant to the Manager-Deputy Town Clerk Sherry Scoggins, Town Clerk Megan Howard, Finance Director Butch Kay, Planning Director David Bergmark, Parks & Recreation Director Jeff Polaski, Public Works Director Brian Bray, and Police Chief Bill Carter.

CALL TO ORDER

Mayor Gray called the meeting to order at 7:00 p.m.

1. THE BUDGET DOCUMENT

Town Manager Collins thanked staff for working on the Budget.

Town Manager Collins stated that the Budget presented is a draft.

What is covered in the draft and what is missing

Has:

- ▶ Introduction: There's a table of contents in the binder that will help Commissioners to answer any questions.
- ▶ Strategic Plan
- ▶ Budget Summary
- ▶ General Fund
- ▶ Water & Sewer Funds
- ▶ Long-Range Financial Planning
- ▶ Supplemental and Statistical Material

Missing:

- ▶ Message—Town Manager Collins stated he can't give the message to the Commissioners with the Budget under Statutory Law. The Budget will be provided to the press and posted online in the next couple of days.
- ▶ Budget Ordinance—Commissioners will take action on this.
- ▶ Final Fee Schedule—Commissioners will take action on this.



- ▶ Partner agencies list—for example, we don’t provide fire or EMS services. This will help guide people to the correct agencies.
- ▶ Glossary of Terms and Acronyms
- ▶ Not perfect...yet! Has typos, numbers can change in process, additional descriptions added.

2. BUDGET SCHEDULE

DATE	ACTIVITY	NOTES
January 14, 2019*	Presentation of Financial Policy Amendments	Local procedure
January 15, 2019	Initial budget materials provided to Departments	Local procedure
January 28, 2019*	Presentation of Draft 2019 Strategic Plan	Local procedure
February 11, 2019*	Approval of 2019 Strategic Plan	Local procedure
February 23, 2019*	Board of Commission Budget Retreat	Local procedure
February 25, 2019*	City of Raleigh Utilities Merger Report	Local procedure
March 5, 2019	Final budget materials provided to Departments	Local procedure
March 19, 2019	Department Requests Submitted to Budget Officer (LGBFCA deadline is April 30)	NCGS 159.10
March 25, 2019	Approval of Financial Policy Amendments	Local procedure
April 29, 2019*	Detailed Budget Work Session Presentation of Draft Budget	Local procedure
April 30, 2019	Submission of Budget with Message to Commission (LGBFCA deadline is June 1)	NCGS 159.11
	Budget made available to the public and press	NCGS 159.12
	Publish budget statement and public hearing date	NCGS 159.12
1 st Week of May	Individual Meetings with Commissioners	Local procedure
May 13, 2019*	Budget Hearing	NCGS 159.12
May 28, 2019*	Adoption of Budget, Levy Tax Rate, and Fee Schedule Adoption (LGBFCA deadline is by July 1)	NCGS 159.13

3. GENERAL FUND



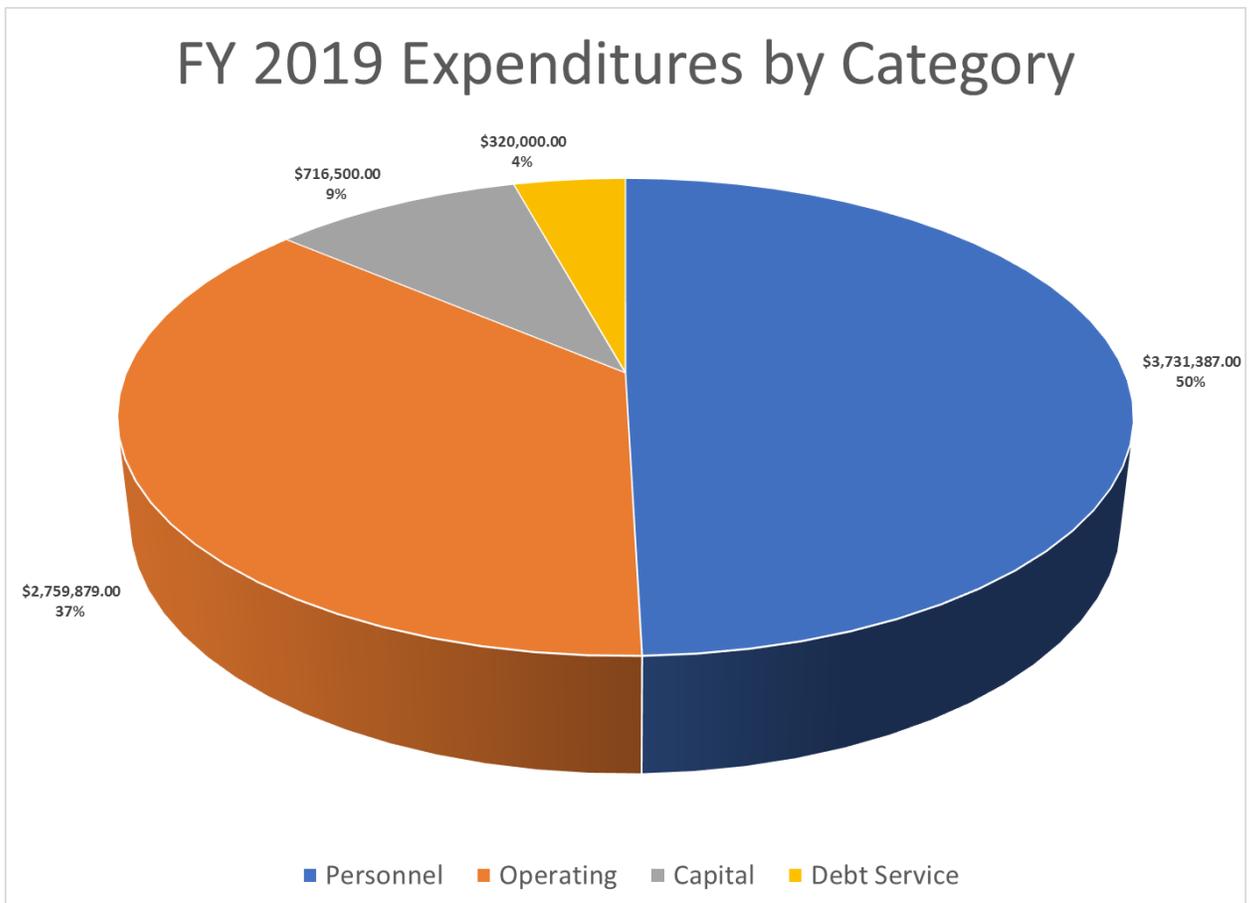
\$7,527,766 is being presented. That represents a 3.9% increase from the previous fiscal year. Personnel is the largest line item in the budget. The fund balance calculation is 88.5%--well above the 40% fund level, required.

3a. Overview

[Staff Report]

Item Summary:

- ▶ **Total FY 2020 Budget** **\$7,527,766**
- ▶ Personnel \$3,731,387 (50%)
- ▶ Operations \$2,759,879 (37%)
- ▶ Capital \$716,500 (9%)
- ▶ Debt Service \$320,000 (4%)
- ▶ Increase of 3.9% over FY 2019 General Fund Budget
- ▶ Fund Balance for capital \$696,500
- ▶ Fund Balance calculation for FY 2020 88.5%
- ▶ Proposed Budget is Balanced



3b. Revenues FY 2020



[Staff Report]

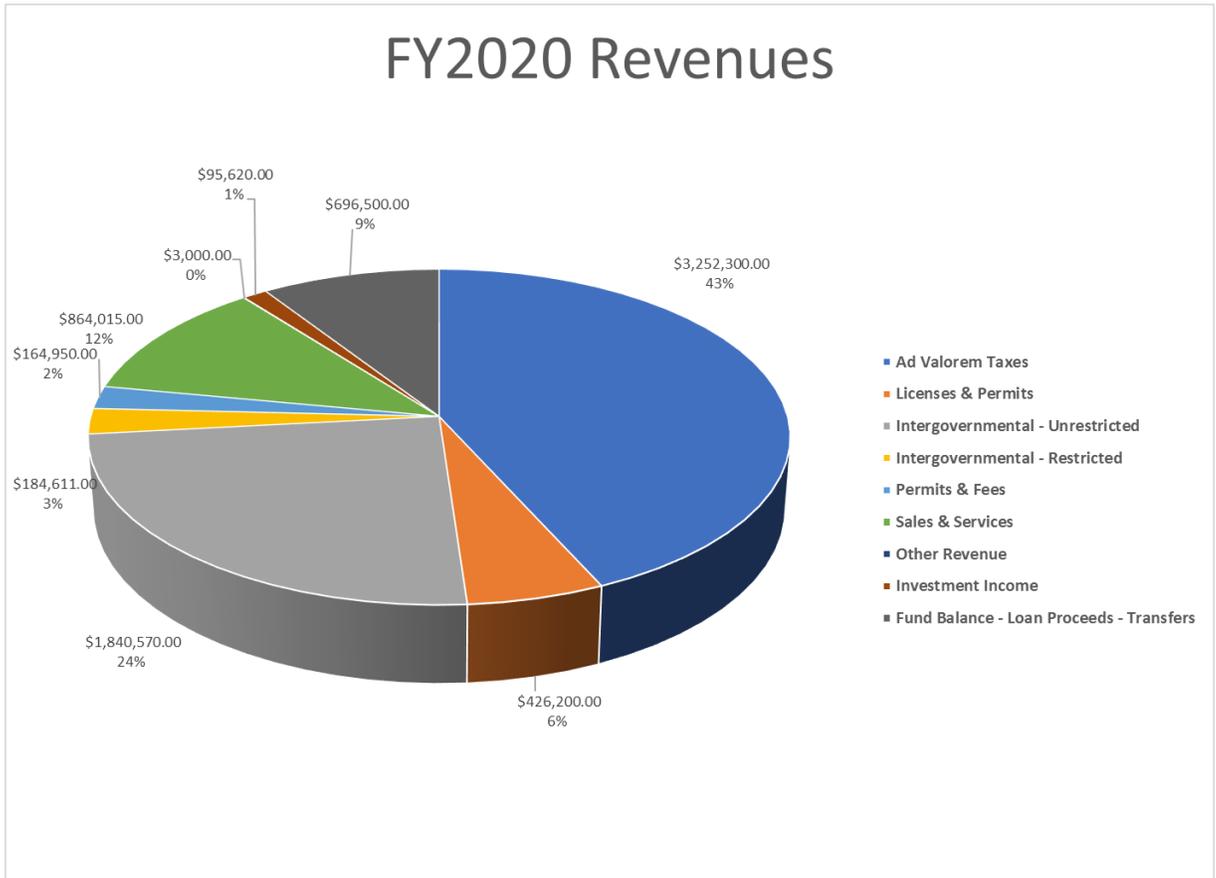
Item Summary:

- ▶ **No increase in property tax rate**
- ▶ **No increase in water or sewer rates**
- ▶ **No increase in solid waste fees**

Town Manager Collins stated that the only increases in fees are in Parks and Recreation where new programs were created and added last year.

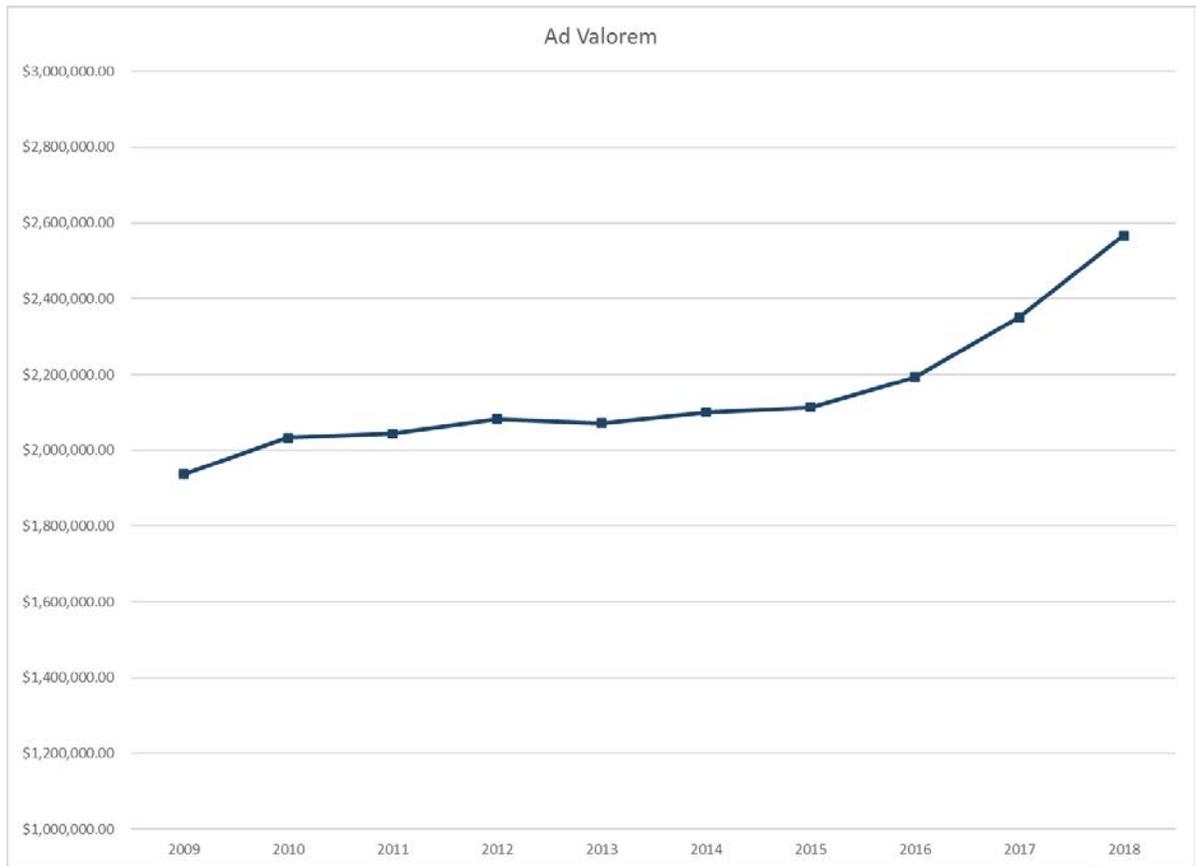
- ▶ Increased property valuation of approximately \$75 million from new development
- ▶ Growth driving increases in revenues in general
- ▶ Adds several fees required by Statute and Code (check return fee, beer & wine licenses, and Board room night reservation)
- ▶ Only fee increases are in Parks and Recreation
 - ▶ New programs (soccer, wiffleball, kickball, community garden, weight room, CPR/First Aid/Babysitting Classes)
 - ▶ Track-out Camp increase from \$25 to \$20 per day—filled to capacity
 - ▶ Adult Co-Ed Volleyball increase from \$250/team to \$300/team—to match the market rate.
- ▶ Golf Cart Fees added to FY 2020 (\$3,500)

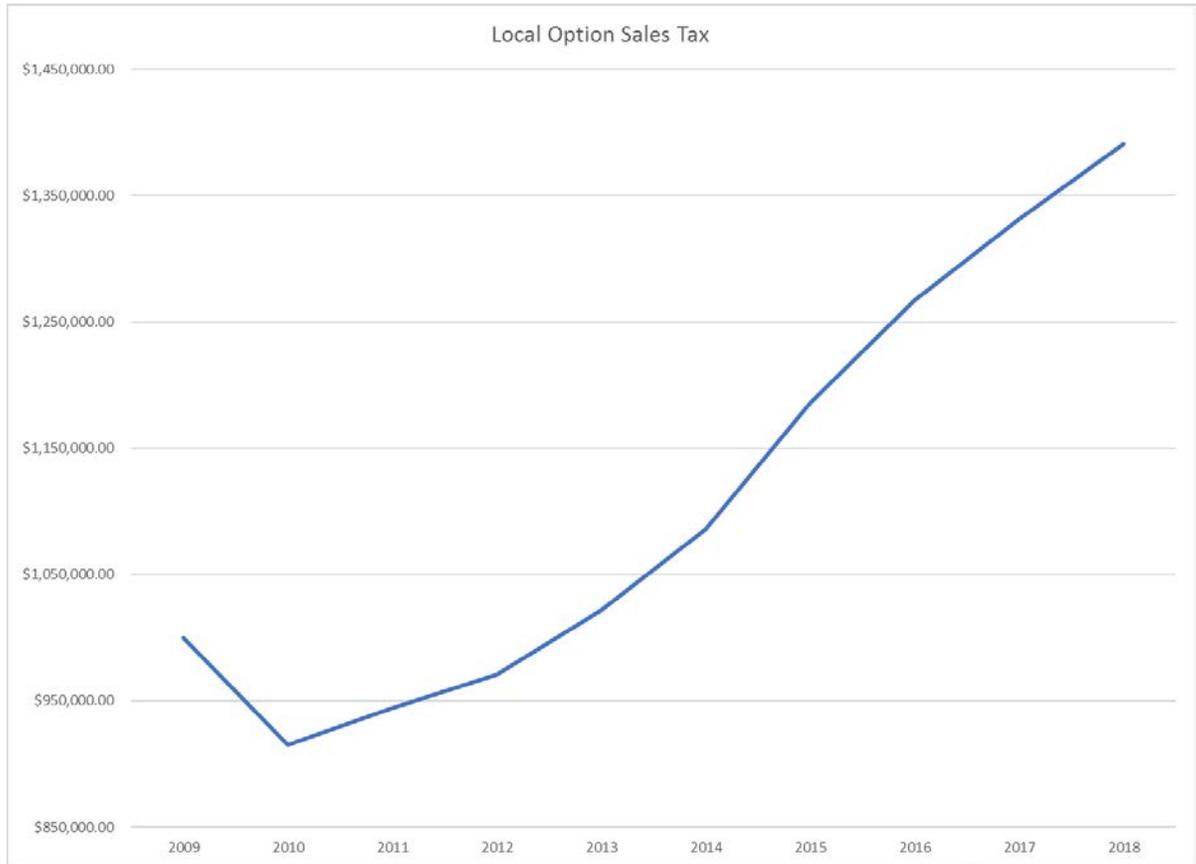
Town Manager Collins stated that Revenues are increasing due to growth in the community. Wake County Property Assessor estimates a \$75 million increase in our value—adding new property tax revenue to Wendell's Budget. Sales Tax is also increasing. There's no rate increase of any kind. Looking at the graph, Ad Valorem (Property) taxes make up 43% of the Town's revenues and the intergovernmental unrestricted of 24% includes the sales tax rate.



Ad Valorem Taxes	\$ 3,252,300.00
Licenses & Permits	\$ 426,200.00
Intergovernmental - Unrestricted	\$ 1,840,570.00
Intergovernmental - Restricted	\$ 184,611.00
Permits & Fees	\$ 164,950.00
Sales & Services	\$ 864,015.00
Other Revenue	\$ 3,000.00
Investment Income	\$ 95,620.00
Fund Balance - Loan Proceeds - Transfers	\$ 696,500.00
	\$ 7,527,766.00

These graphs are trending in the right direction. The last couple of years were up, as is this one.





3c. Departments

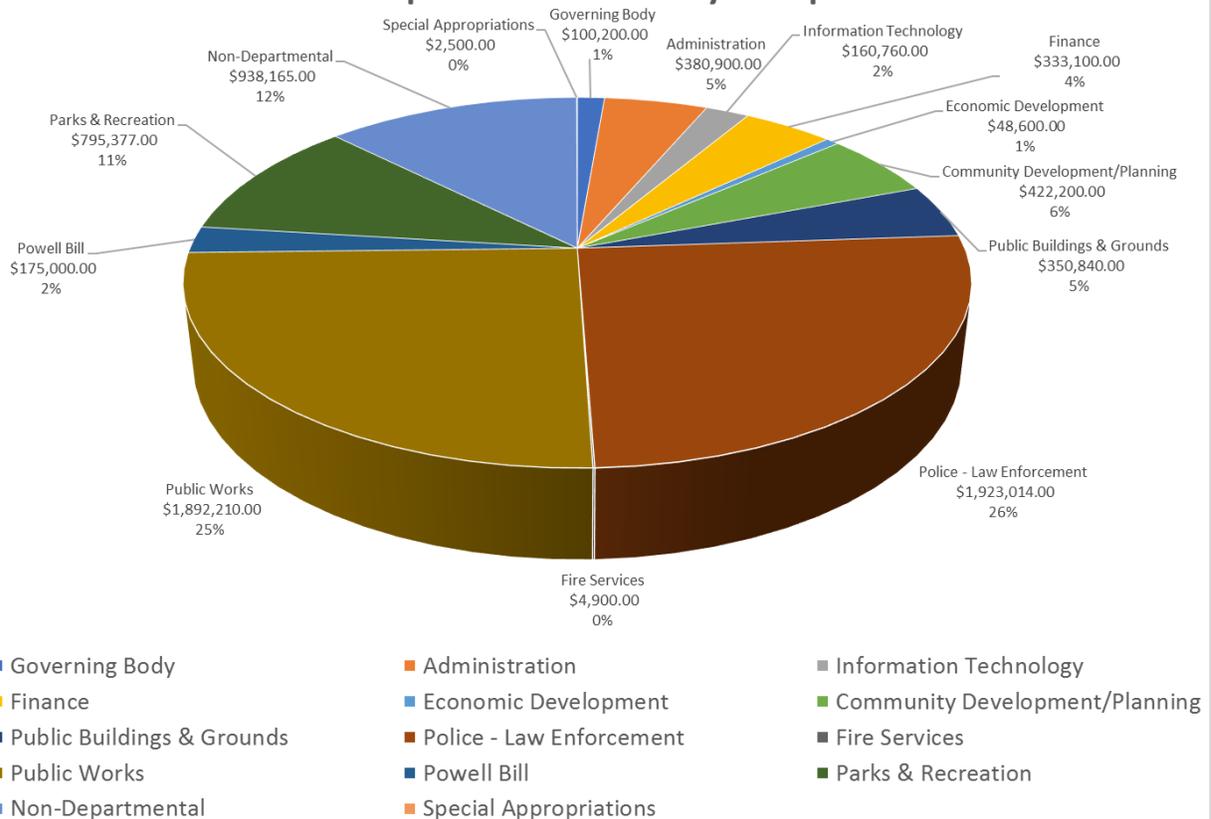
[Staff Report]

Item Summary: Town Manager Collins said to refer to the GENERAL FUND in the Commissioners' BINDER, which will provide them with the line item budget. Additional to the line item budget is that there's previous two years actual, current year budget, funds requested by the department, what's recommended by management, and there's a line there to show you where trends are and to show where increases will generate.



	FY 2020	Capital	Net
Governing Body	\$ 100,200.00	\$ -	\$ 100,200.00
Administration	\$ 380,900.00	\$ -	\$ 380,900.00
Information Technology	\$ 160,760.00	\$ 15,000.00	\$ 145,760.00
Finance	\$ 333,100.00	\$ -	\$ 333,100.00
Economic Development	\$ 48,600.00	\$ -	\$ 48,600.00
Community Development/Planning	\$ 422,200.00	\$ 60,000.00	\$ 362,200.00
Public Buildings & Grounds	\$ 350,840.00	\$ 185,000.00	\$ 165,840.00
Police - Law Enforcement	\$ 1,923,014.00	\$ 171,000.00	\$ 1,752,014.00
Fire Services	\$ 4,900.00	\$ -	\$ 4,900.00
Public Works	\$ 1,892,210.00	\$ 240,000.00	\$ 1,652,210.00
Powell Bill	\$ 175,000.00	\$ 20,000.00	\$ 155,000.00
Parks & Recreation	\$ 795,377.00	\$ 25,500.00	\$ 769,877.00
Non-Departmental	\$ 938,165.00	\$ -	\$ 938,165.00
Special Appropriations	\$ 2,500.00	\$ -	\$ 2,500.00
	\$ 7,527,766.00	\$ 716,500.00	\$ 6,811,266.00

FY 2020 Expenditures by Department





New Department Layout: Looking at the Departments, Police and Public Works are the Town’s two largest expenses and two largest departments. Town Manager Collins stated that when he goes over the new Departmental layout shortly, one will see the rest of the departments, a description of service, revenues directly attributed to the department—any past year/current year percent change for the expense within the department, personnel end gain capital. There’s also a summary of what’s happening in each department’s budget.

- ▶ Description of Service
- ▶ Revenues
- ▶ Expenditures (prior year, current, % change)
- ▶ Summary of Department Budget
- ▶ Staffing (prior 2 years, current year, proposed)—total 3-year change of Staffing
- ▶ Prior year achievements (top 3) (for the department)
- ▶ Current year challenge (top)
- ▶ Department goals, work units, and performance measures

Governing Body

<u>Expenditures:</u>			
	FY 2019	FY 2020	% Change
Personnel	\$28,800	\$28,800	0
Operating	\$43,600	\$71,400	63.8
Capital	0	0	0
Total	\$72,400	\$100,200	38.4

- ▶ Legal expenses increased \$12,000 – Attorney attend 2 meetings per month
- ▶ Municipal election \$19,000—The Municipal Election can come in lower if Cary has a Primary Runoff Election.

Administration

<u>Expenditures:</u>			
	FY 2019	FY 2020	% Change
Personnel	\$333,175	\$313,500	-5.9
Operating	\$44,175	\$67,400	52.6
Capital	0	0	0
Total	\$377,350	\$380,900	0.9

- ▶ Clerk full year salary with training increases
- ▶ Shared communications position through EWTN partnering with Town of Rolesville (\$4,000)—will be a Part-Time Communications position as a contracted position.



- ▶ Compensation & Classification Study (\$8,250)—reviews our current job descriptions, pay scale.

Information Technology: Town Manager Collins stated that this is a holding budget, for right now.

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	\$68,800	\$68,800	0
Operating	\$113,960	\$76,960	-32.5
Capital	\$15,000	\$15,000	0
Total	\$197,760	\$160,760	-18.7

- ▶ RFP Release in May in partnership with Town of Rolesville—may be some economies of scale, here.
- ▶ Budget will be adjusted if needed, based on results

Finance:

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	\$289,625	\$314,500	8.6
Operating	\$10,875	\$18,600	71.0
Capital	0	0	0
Total	\$300,500	\$333,100	10.8

- ▶ Separated from Administration
- ▶ Post-Employment Benefits Contract Services – Required GASB Standard (\$5,000)—really the only thing that’s changing from last year.

Economic Development:

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	0	0	0
Operating	\$600	\$48,600	8,000
Capital	0	0	0
Total	\$600	\$48,600	8,000

- ▶ Downtown Façade Grant (\$10,000)
- ▶ Economic Development Contract Services (\$30,000)—Town Manager Collins stated that this would be a contract employee that comes in and helps the Economic Development



Program, representing the Town at the County/State level of Economic Development. This employee would help with our EDC, conduct project follow-up. Potential for creating a stand-alone position, here is based on the Board's evaluation. Town Manager Collins said they will need to get a program established in a cost-effective manner.

- ▶ TJCOG Regional Brownfields Program (\$8,000)—represents the first year of funding for the Triangle J County of Government
- ▶ Downtown Programming (\$300)—Town Manager Collins said there will need to be some discussion on this with the Commissioners.
- ▶ Appearance Commission (\$300)—Town Manager Collins said there will need to be some discussion on this with the Commissioners.

Discussion:

Town Manager Collins asked if the Commissioners think that the Appearance Commission should continue to host an event called Party with a Purpose, or whether the town should help fund the Appearance Commission in order to get art on the ground.

Mayor Gray stated that the Appearance Commission works very hard to have the Party with a Purpose in order to raise money. She would rather fund the Appearance Commission. If they still want to have events in which to celebrate what they've done, that's okay. Party with a Purpose takes a lot of time and effort and it takes up too much of the Commission's time and too much staff time. Mayor Gray asked what the Commissioners thought.

Commissioner Joyner asked what the Appearance Commission's funding was last year.

Town Manager Collins stated \$300.00.

Mayor Gray asked what the earnings were for Party with a Purpose.

Planning Director Bergmark stated that it was somewhere between \$3,000-\$4,000.

Mayor Pro Tem Lutz asked how the Town envisions establishing the Appearance Commission's role.

Mayor Gray stated that they haven't met in a while and that they need to. The Appearance Commission is planning something kind of different. They host an event downtown that would generate more traffic, once a month, as an opportunity to bring people together and it won't be as extravagant as the Party with a Purpose event.

Manager Collins stated that there are three options: (one,) do nothing, continue as is with the event; (two,) stop the fundraising and fund the public art through the budget; (three,) do nothing in the budget and leave it as is before going to the Appearance Commission for some direction. Budgets are living documents and it might be possible to find a couple thousand dollars in the coming fiscal year to resolve it in some manner.



Mayor Gray stated that she would also like the Appearance Commission to pursue grant opportunities as well as funding because they need to do public art and things that have been asked of them.

Commissioner John Boyette asked that, if the Board decides to fund the Appearance Commission and they still decide to hold a fundraiser, would that be a problem?

Town Manager Collins stated that not everything can be financed by the Town. The Appearance Commission is an extension of the Board of Commissioners, doing what the Board asks. Regardless of the Party with a Purpose or public funding, it would be wise to track those funds, moving forward. It would be best to discuss funding within the next fiscal year and discuss the matter with the Appearance Commission in the here and now.

Mayor Gray asked if Town Manager Collins will speak with them at their next meeting about which direction they would like to go in. Town Manager Collins agreed.

Planning:

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	\$232,500	\$271,500	16.8
Operating	\$44,175	\$67,400	63.3
Capital	0	\$60,000	---
Total	\$377,350	\$380,900	46.6

- ▶ Engineer fees are added as a revenue and expense in FY 2020—Town Manager Collins states that before we were only accounting for Engineer fees in one line. In reality, there’s a multitude of developer fees paid to different entities. These are now broken out into a revenue line and an expense line. The expense line is slightly higher than the revenue line. Now, it’s more transparent across accounting.
- ▶ FY 2019 Planner Position full year salary
- ▶ Streetlight expenses due to growth (\$5,250)
- ▶ Training increased for new position and AICP certifications (\$1,350)
- ▶ Comprehensive Land Use Plan – ½ cost in FY 2020 (\$60,000)—Town Manager Collins says that this is broken out over 2 Fiscal Years, which is why it states ½. A lot of the conflict of the Land Use Plan isn’t over the Developer’s intent, the Board’s intent or Staff’s intent—it does speak to the dated nature of some of our Land Use Policy. This Comprehensive Land Use Plan will help guide us in that direction.

Public Buildings & Grounds:

Town Manager Collins stated there’s a reduction in public funding expenses that cover closer to actual cost. The landscape architect is currently under review. The current amount budgeted is lower than what it’s been in the past. There’s some economies that



the Board would want more control over. Other things that are less efficient for Town Staff—like Wendell Boulevard medians—will be contracted out. There are some areas within Wendell that the Town is maintaining.

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	0	0	0
Operating	\$172,745	\$165,840	-4.0
Capital	0	\$185,000	---
Total	\$172,745	\$350,840	103.1

- ▶ Telephone reduction (\$10,760)
- ▶ Landscape contract reduction, will reflect new contract (\$10,760)
- ▶ Senior center HVAC system improvements (\$6,000)
- ▶ Cemetery driveway maintenance (\$1,750)—Public Works started this year and needs funding to continue that into next year.
- ▶ Town Square Stage Step Replacement/Repair (\$4,000)
- ▶ Retrofit Downtown Trashcan Lids (\$3,000)—Public Works found an innovative way to work this out. With open trash cans, the rain fills up the bags, making them heavy. It also becomes a waste water issue regarding stormwater. Public Works found lids you could weld to the top, modifying the current trashcans.
- ▶ Wendell Boulevard Sidewalk Project – Design and Environmental (\$185,000)—Public Works and Planning have been working together to submit a larger grant request to the Local Administered Project Plan. This will be a \$1.3 million project in the next year, with a 30% local match. This is to establish a sidewalk from Wendell Elementary to Food Lion, with two other potential projects from Marshburn to Wendell Boulevard as well as Wendell Falls Parkway to Wendell Boulevard with pedestrian crossings. Town Manager Collins says that this is potentially 3 projects to be worked on with CAMPO and the DOT with the application.

Police:

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	\$1,429,550	\$1,502,000	5.1
Operating	\$222,660	\$250,014	12.3
Capital	\$115,000	\$171,000	48.7
Total	\$1,767,210	\$1,923,014	8.8

- ▶ 2 New positions starting Jan. 1, 2020 (Police Officer, CALEA Administrator)
- ▶ Full year salary for position starting in FY 2019
- ▶ Part-time officer (\$7,500)—out of the existing budget.
- ▶ Overtime (\$6,000)—involving employees agreeing to take comp time. This allows them to be paid overtime (Police and Public Works will have this ability).



- ▶ Training increased (\$14,920)—Wake Tech doesn't offer promotional accreditation for free.
- ▶ Department Supplies increased (\$9,250)
- ▶ New radios (\$4,000)
- ▶ Uniforms increased (\$5,550)
- ▶ Wellness program for gym membership reimbursement (\$6,000)—allows for approximately 75% of the department to have a gym membership at \$25/month.
- ▶ 3 police cars – 2 replacements and 1 for new officer (\$171,000)—starts in January.

Fire Services: Town doesn't provide this service, Wake County does.

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	0	0	0
Operating	\$8,100	\$4,900	-39.5
Capital	0	0	0
Total	\$8,100	\$4,900	-39.5

- ▶ No change in Fire Tax in FY 2020
- ▶ Town does not provide Fire or EMS Services
- ▶ Hazardous Materials Service reduced – covered by Fire Tax (\$3,200)—Only change is that the Raleigh Wake County Fire Tax covers Wendell, as well.

Public Works:

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	\$657,100	\$722,000	9.9
Operating	\$739,085	\$867,710	17.4
Capital	\$51,000	\$302,500	493.1
Total	\$1,447,185	\$1,892,210	30.8

- ▶ Salaries cover structure reorganization of FY 2019
- ▶ New public works specialist position added—New growth in the Town has provided for this.
- ▶ Training increased (\$4,875)—Manager Collins said this is for Supervisors and Superintendents with the American Public Works Association.
- ▶ Maintenance and repair increases (various)—Building needs with door locks, Streetsweepers, Vehicle Maintenance, and Equipment maintenance.



- ▶ Street signs increased (\$3,600)—Doubled to provide more resources. Statutory requirement for visibility.
- ▶ Streets increased (\$2,000)—Doubled to provide more resources.
- ▶ Sidewalks increased (\$5,000)—Doubled to provide more resources.
- ▶ Salt-spreader (\$7,000)—Non-Capital items; Safety requirement
- ▶ Chemical sprayer (\$3,500)—Non-Capital items; Safety requirement.
- ▶ Capital items - Leaf truck (\$195,000), Pickup Truck (\$28,000), Two mowers (\$17,000)

Commissioner Boyette asked if the Town is planning on doing more mowing or to contract more.

Manager Collins stated that it's more efficient to do most of it in-house, except for the mowing medians.

- ▶ Contract Services for Leaf & Limb increased (\$34,500)—Compliant Disposal Service

Powell Bill – Local Roads Program: Most of this goes to paying past road improvement debt service.

Expenditures:

	FY 2019	FY 2020	% Change
Personnel	0	0	0
Operating	\$173,500	\$175,000	0.9
Capital	0	0	0
Total	\$173,500	\$175,000	0.9

- ▶ Debt payment for past road improvements project (\$139,600)
- ▶ ADA Compliance for crossings and sidewalks (\$20,000)—The Town needs to designate an ADA coordinator, an existing person in the organization that has 3 years to develop a transition plan for us to be compliant as a Town. Right now, the DOT has an 80/20 match with a transportation alternatives program—federal funding to help us with compliance. The DOT is offering the Town the same 80/20 match so that we have the local funds to put towards that. Manager Collins doesn't know that we'll necessarily need \$20,000. The state will take care of the state roads, while we will take care of our local roads.

Parks and Recreation:



Expenditures:

	FY 2019	FY 2020	% Change
Personnel	\$434,750	\$512,487	17.9
Operating	\$229,265	\$251,390	9.7
Capital	\$13,800	\$31,500	128.3
Total	\$677,815	\$795,377	17.3

- ▶ New parks maintenance technician added—Events and programming last year increased by 37%. Parks and Recreation has been shifting as much staff as possible to cover these events. When they're not busy with events, they've got to maintain the park, which isn't sustainable. Manager Collins said that this is one of our most important positions in our budget, this year.
- ▶ Part-time salaries increased – market rate pay and increased need (\$15,437)—Town Manager Collins also said we need more hours for part-time staff.
- ▶ Training increased for 2 staff to obtain CPRP certifications (\$1,200)
- ▶ Maintenance increases for field aeration (\$19,350)
- ▶ Tractor maintenance (\$5,225)
- ▶ Track-out program increase (\$2,850)—Part of which involves Transportation and Material costs and Labor costs.
- ▶ New Recreation Scholarship Program (\$1,000)
- ▶ Non-capital items (tables, chairs, rototiller, podium PA, ice machine, trashcans, and picnic tables)

Commissioner Joyner asked if the Podium PA was a Parks and Rec request or a manager need. Parks & Recreation Direction Jeff Polaski stated that he requested the Podium PA

- ▶ Tractor leased in FY 2019 payment (\$6,000)
- ▶ Wendell Park Improvements Project – Wi-Fi, gutter guards, gym stairs, and access to lower parking (\$25,500)—Manager Collins also states that the stairs at the Community Center will need to be built to the lower parking lot, as there is a bit of a dip in the topography.

Commissioner Boyette asked what Manager Collins meant by gym stairs.

Mayer Gray stated that it's the stage and asked what is wrong with the stairs.

Parks and Recreation Director Jeff Polaski stated that the rubber gripping is peeling off.

Mayor Gray asked if they could also paint the front of the stage.



Non-Departmental:

Manager Collins stated that this involves meeting with the insurance company in the coming week.

<u>Expenditures:</u>			
	FY 2019	FY 2020	% Change
Personnel	0	0	0
Operating	\$823,855	\$938,165	13.9
Capital	0	0	0
Total	\$823,855	\$938,165	13.9

- ▶ Health insurance estimate increase (\$74,720)
- ▶ Debt service increases consistent with audited payment schedule (\$13,000)
- ▶ Employee education assistance continued (\$3,000)
- ▶ New Employee Assistance Program (\$9,000)—Counseling Services for first responders.

3d. Staffing

- ▶ 3% Total increase in pay (2% cost of living and 1% merit increment)—
 Manager Collins said that we need to develop the merit increment program, as there is currently some compression with new employees.
- ▶ Assumes 10% increase in insurance costs
- ▶ 4 New Positions Proposed in FY 2020
 - ▶ Park Maintenance technician
 - ▶ Public Works Specialist
 - ▶ Police Officer
 - ▶ Records & Training (CALEA) Administrator

Manager Collins referred to the last page in the BUDGET SUMMARY section of the BUDGET BINDER given to the Commissioners. There is a 10-year staffing analysis involved that includes 41 new positions total, with 4 new positions each year. This analysis is due to the growth increase in the Town of Wendell. The needs are analyzed annually and adjusted according to economic need.

Town Manager Collins mentioned looking in the SUPPLEMENTAL & STATISTICAL section of the BUDGET BINDER given to the Commissioners, which gives information on economy, demographics, population, history and descriptions of statistics. In the coming 10 years, the population is projected to be almost at 20,000 people. Majority of the population growth is attributed to Wendell Falls. The rest of the Town’s growth only amounts to 4% of the increase.

Manager Collins referred to the Comparative Rates and Fee Schedules that compares Wendell’s rates to other cities and towns in Wake County (In SUPPLEMENTAL & STATISTICAL section). Wendell rates are high because our valuation is low. When we



have a higher assessed value, Wendell will have a lower rate. Wendell's assessed value is higher than it has been in the past year. The Town's Commercial Value will increase, as well. Sales tax was also looked at—how it's distributed in the county.

Manager Collins referred to the General Fund Staffing Comparison in the BINDER, stating that there is a comparison between other areas that are comparable in size or larger than Wendell. It also looks at Comparative Community Population Growth, Rate and Land Area in other communities around the state—comparing Wendell over a 5-7 and 10-15 year growth period. There's also a comparison of Parks and Rec fees, going into the draft fee schedules comparing Wendell to other towns.

- ▶ 10-Year Staff Analysis in Budget Summary
- ▶ Compensation & Classification Study
- ▶ Benefits – Police Wellness, Employee Assistance Program (EAP)

3e. Capital Improvement Program:

Manager Collins referred to the LONG-RANGE FINANCIAL PLANNING section in the BUDGET BINDER.

- ▶ 5 Year Program
 - ▶ Year 1 is the Capital Budget (funded in the General Fund)
 - ▶ FY 2020 Capital and Debt Total is \$1,244,380
 - ▶ Years 2-5 are for planning purposes
 - ▶ Total Capital and Debt for 5 years is \$15,441,435—There is a new Town Hall affected in this debt for the next 5 years.
- ▶ Identifies Revenues
 - ▶ Transition from general fund balance reliance to include sales tax and auto decal fee
- ▶ Includes Debt Service and Lease Payments
- ▶ Fund Balance Reserves over 40% maintained all 5 years—Reflected at the bottom of page 2 in the LONG-RANGE FINANCIAL PLANNING section in the BUDGET BINDER. Manager Collins said that there are several other things to consider, including the Parks and Rec Master Plan such as Facility & Land needs is not included in this. In terms of the proposed new Town Hall, the debt is included in the Capital Improvement Program as a borrowing loan.
- ▶ Asset replacement criteria used for capital budget requests

Manager Collins said that in the Capital Improvement Program are the Revenues and how to cover expenses. One way is to incorporate a Sales Tax as a Revenue stream for the Town's Capital Improvement. Due to growth, the sales tax will end up covering the Debt Service Payment.

Capital Budget Projects \$716,500

- ▶ Wendell Boulevard Sidewalk Project (\$185,000)
- ▶ ADA Local Road Compliance (\$20,000)
- ▶ Leaf Collector Truck (\$195,000)
- ▶ Public Works Pickup Truck (\$28,000)
- ▶ 2 Mowers (\$17,000)



- ▶ Police Vehicle Replacement Program (\$171,000)
- ▶ Technology Replacement Program (\$15,000)
- ▶ Wendell Park Improvements (\$25,500)
- ▶ Comprehensive Land Use Plan - ½ cost (\$60,000)

3f. Fund Balance

Policy calculation = 88.5% for FY 2020—of the Operating Budget

	Fiscal Year							
	2011	2012	2013	2014	2015	2016	2017*	2018
Restricted	\$ 441,449	\$ 555,157	\$ 310,202	\$ 416,973	\$ 229,137	\$ 374,024	\$ 1,364,711	\$ 362,791
Committed	\$1,239,884	\$1,249,178	\$ 386,131	\$ 263,203	\$ -	\$ -	\$ -	\$ -
Assigned	\$ -	\$ -	\$ 222,869	\$ 125,000	\$ 891,450	\$ 18,000	\$ 176,970	\$ 245,800
Unassigned	\$2,755,351	\$2,833,622	\$ 3,400,310	\$3,952,032	\$3,862,538	\$5,052,270	\$5,328,810	\$6,030,012
Total	\$4,436,684	\$4,637,957	\$ 4,319,512	\$4,757,208	\$4,983,125	\$5,444,294	\$ 6,870,491	\$ 6,638,603
Change in Total Fund Balance	\$ 391,553	\$ 201,273	\$ (318,445)	\$ 437,696	\$ 225,917	\$ 461,169	\$ 1,426,197	\$ (231,888)
Change in Assigned/Unassigned Fund Balance	\$ 78,271	\$ 789,557	\$ 453,853	\$ 676,956	\$ 316,282	\$ 435,510	\$ 770,032	
Assigned Fund Balance is designated fund balance appropriation for succeeding budget year.								
* Reporting loan proceeds to spend in FY 2018								

3g. Debt Management Program

The Town of Wendell doesn't borrow a lot, so our Legal Debt Margin is very high. The Town's Net Debt right now is at 3.7%, leaving an additional \$49 million dollars in the budget for debt margins.

Year Ending June 20	Annual Debt Service Requirements				
	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2019	\$ 388,592	\$ 76,984	\$ 417,048	\$ 50,342	\$ 932,966
2020	391,255	68,123	417,048	39,957	916,383
2021	331,035	59,010	417,048	29,572	836,665
2022	332,808	50,906	417,048	19,187	819,950
2023	212,249	42,780	381,886	8,802	645,717
2024-2028	922,000	124,128	-	-	1,046,128
2029-2031	300,000	19,740	-	-	319,740
	\$2,877,939	\$ 441,672	\$ 2,050,078	\$ 147,860	\$ 5,517,549



FY 2020 Estimated Changes in Long-Term Debt				
	Estimated Balance June 30, 2019	Estimated Additions	Estimated Retirements	Estimated Balance June 30, 2020
General Fund Debt	\$ 2,854,034	\$ -	\$ 459,378	\$ 2,394,656
Water and Sewer Fund Debt	\$ 1,730,548	-	457,005	\$ 1,273,543
Total Debt	\$ 4,584,583	\$ -	\$ 916,383	\$ 3,668,200

Computation of Legal Debt Margin	
Estimated Assessed Valuation - FY 2019	\$ 657,589,503
Debt Limit (at 8% of assessed valuation)	\$ 52,607,160
Net Debt	\$ 3,668,200
Legal Debt Margin	\$ 48,938,960

4. WATER & SEWER FUNDS

- ▶ Only used to pay past debt for water and sewer system since the 2006 Merger Agreement with the City of Raleigh to assume utility service
- ▶ Town Manager Collins stated that, if the town wanted to install water and sewer in the future, we could account for it in the Water and Sewer Fund as a part of the Merger Agreement.

Account	Account Description	FY 18/19 Budget	FY 19/20 Proposed	FY 19/20 Adopted	FY 20/21 Estimate	FY 21/22 Estimate	FY 22/23 Estimate
	REVENUES						
30-399-04	City of Raleigh - Debt Payment - Water	132,149	50,000		50,000	50,000	0
32-399-04	City of Raleigh - Debt Payment - Sewer	803,807	450,000		430,000	420,000	410,000
	TOTAL REVENUES	935,956	500,000	0	480,000	470,000	410,000
	EXPENSES						
30-660-91	Non-Departmental - Debt Service - Water Fund	132,149	50,000		40,000	50,000	0
32-660-91	Non-Departmental - Debt Service - Sewer Fund	803,807	450,000		430,000	420,000	410,000
	TOTAL EXPENSES	935,956	500,000	0	470,000	470,000	410,000

In the table above, the numbers have changed over the future projections. In the 22/23 Fiscal Year, the water is paid off and it will be the last year for a sewer payment of 410,000.

5. HOW DOES THE PROPOSED BUDGET RELATE TO THE STRATEGIC PLAN

Manager Collins stated that the Commissioners can refer to the Strategic Plan section in the BUDGET BINDER to identify goals that were discussed at the Budget Retreat and the initiatives to implement these goals.



Connection to the Strategic Plan

Goal 1: Downtown Vibrancy, Economic Growth, and Community Character

- Downtown Parking (\$300,000) improvement in FY 2022.
- NCDOT sidewalk crossing improvements (\$40,000 total) in FY 2020 and FY 2021.
- Downtown streetlight maintenance and repair (\$3,500 increase) in FY 2020.
- Façade Grant program funding (\$10,000) in FY 2020.
- TJCOG Regional Brownfield Program (\$8,000) in FY 2020.
- Contract Economic Development Program (\$30,000) in FY 2020.
- Comprehensive Land Use Plan Update (\$120,000 total) in FY 2020 and FY 2021.

Connection to the Strategic Plan

Goal 2: Public Safety & Neighborhood Improvement

Manager Collins stated that this is a top priority—providing CALEA accreditation for the Police Department. In addition to these top priorities is the Training and Education for Crisis Intervention and the Employee Assistance Program, which would provide counseling services for first responders.

- Position for CALEA accreditation in salary line to start in January in FY 2020.
- Funding for CALEA training and program in FY 2020.
- Training and education (\$14,920 increase) in FY 2020.
- Health club membership reimbursement program (\$6,000) in FY 2020.
- Employee assistance program (EAP) for all employees (\$9,000) in FY 2020.
- Overtime line added (\$6,000) in FY 2020.
- Wendell Boulevard Sidewalk Project (\$1,485,000) in FY 2020 and FY 2021.

Connection to the Strategic Plan

Goal 3: Infrastructure, Transportation, and the Environment

- Fee comparison added to Budget in FY 2020.
- Stormwater contract (\$9,000 increase) and drainage maintenance (\$3,950 increase) in FY 2020.
- Street repaving (\$539,243 total) in CIP.
- Sidewalk program (\$1,700,000 total) in CIP to implement part of 2017 Pedestrian Plan.
- Wendell Boulevard Sidewalk Project (\$1,485,000) in FY 2020 and FY 2021.
- Intersection improvements in the Wendell Boulevard Sidewalk and ADA compliance projects.

Connection to the Strategic Plan

Goal 4: Parks, Recreation, Special Events, and Culture



Manager Collins said that there isn't a monetary thing directly now—these are placeholders. In relation to the New Park Construction and Park Land Acquisition—these will include outside revenue sources to provide leverage for the Town. The Multi-Purpose trail will connect Wendell Falls to town in the next year or two. Without any hardships, \$500,000 will purchase 1.5-2 miles of trail that is 10 ft wide and paved. This could potentially connect Wendell Park to Public Works on Buffalo Road or the Main Street Extension. It could also be along Wendell Falls Parkway to start closing the gap, there.

- Parks and Recreation Master Plan (in-process) to be completed in FY 2020.
- Parks Maintenance Technician position in Parks and Recreation salary line in FY 2020.
- Park land acquisition (\$400,000) in FY 2021.
- New park construction (\$500,000) in FY 2022.
- Wendell Park Improvement (\$25,500) in FY 2020.
- Multi-Purpose Trail (\$500,000) in FY 2022.

Connection to the Strategic Plan

Goal 5: Organization Culture and Communication

- No tax increase or borrowing proposed in FY 2020.
- Capital improvement program with fund balance compliance in FY 2020 budget document.
- Additional transparency and detail connecting policy to expenses in FY 2020 budget document.
- Staffing needs analysis included in the FY 2020 budget document.
- Performance measurements and goals established in FY 2020 budget document.
- Communication plan with Contract Services and Administration staff (\$4,000) in FY 2020.
- ADA compliance for intersections and sidewalks (\$40,000 total) in FY 2020 and FY 2021.
- Overtime budgets added in Public Works (\$6,000) and Police (\$6,000) in FY 2020.
- Employee Assistance Program (EAP) for all employees (\$9,000).
- Compensation and Classification Study (\$8,250) in FY 2020.
- Organization training emphasized (\$32,145 total increase for all departments) in FY 2020.

6. DISCUSSION AND/OR DIRECTION

- ▶
- ▶ Budget Hearing:
 - ▶ Monday, May 13, 2019 at Commission Meeting (7pm)
 - ▶ Manager Collins said that he will have the Budget out to the Public by then, as well as to the GFOA
- ▶ Budget Adoption
 - ▶ Tuesday, May 28, 2019 at Commission Meeting (7pm)

Manager Collins thanked staff for working on the Budget and opened the floor to the Board for questions or comments.



7. COMMISSIONERS' REPORTS / COMMENTS

Commissioner Joyner thanked Manager Collins and staff for the hard work, as there is a lot of information in the Budget. He is excited about the 10-year projection plan, Parks and Rec Technician and Compensation and Overtime for the Police Department.

8. MAYOR'S REPORTS / COMMENTS

Mayor Gray thanked Manager Collins and likes the Strategic Plan connection as a new process of budget planning. Mayor Gray requested a copy of the PowerPoint and asked Town Manager Collins to talk a bit more on contracting Leaf and Limb Services.

Manager Collins responded that there is a permit process with the State for decomposition of Leaf and Limb materials. For a time, it was moved across the street from Public Works and disposed of in a landfill. This became complicated, as the staff time required became problematic. The Waste Industries contract that is accounted for in the Budget is legally compliant and will require less strain on staff.

9. ADJOURN

ACTION:

Mover: Mayor Pro Tem Lutz moved to adjourn at 9:00 p.m.

Vote: 4-0..

Duly adopted this 10 day of June 2019, while in regular session.

ATTEST:

Virginia R. Gray,
Mayor

Megan Howard,
Town Clerk