



MINUTES OF THE SPECIAL BUDGET MEETING OF THE LAKE LURE TOWN COUNCIL HELD TUESDAY, MAY 9, 2022, 8:00 A.M. AT THE LAKE LURE TOWN HALL

PRESENT: Mayor Carol C. Pritchett
Mayor Pro Tem David DiOrio
Commissioner Patrick Bryant
Commissioner Scott Doster
Commissioner Jim Proctor

Olivia Stewman, Town Clerk / Interim Town Manager
Sam Karr, Finance Director
Stephen Ford, Assistant Finance Director
Dean Lindsey, Public Services Director
Dean Givens, Parks, Recreation, and Lake Director
Michael Williams, Community Development Director
Laura Krejci, Communications Director
Sean Humphries, Police Chief
Dustin Waycaster, Fire Chief

ABSENT: N/A

I. CALL TO ORDER

Mayor Carol C. Pritchett called the meeting to order at 8:18 a.m. Mayor Pritchett thanked everyone for participating in preparing budget information and that the goal is to vote on the budget at the June 14 regular Town Council meeting.

II. APPROVE THE AGENDA

Commissioner Jim Proctor made a motion to approve the Agenda, as presented. Commissioner Bryant seconded and the motion carried 4-0.

III. REVIEW AND DISCUSSION OF THE DRAFT FY 22-23 BUDGET

Finance Director Sam Karr explained that the town is going to review three funds: general, water/sewer (W/S), and hydro. Karr noted that the Town is about \$35,000 dollars below in general fund. Karr explained that there is a large water/sewer surplus and hydro a surplus of \$400,000 dollars, accounting for the inclusion of a six week outage from April to June on behalf of Duke Energy. Karr detailed revenues, noting a \$300,560 fund balance which includes two projects budgeted (dam automation and dam boom) that the Town did not complete within FY 21-22. Karr explained the Capital Reserve Fund.

Assistant Finance Director Stephen Ford presented a budget presentation that focused mostly on the general fund. Ford explained the staff's budgeting process thus far.

Commissioner DiOrio asked if the revenue number includes grants or not. Director Karr said it does not. Commissioner DiOrio asked if the only thing reflected in expenditure is possible matching grants and Karr said this is correct. Commissioner DiOrio asked if the dredging grant is not in the revenue but is reflective in the expenditure side. Director Karr explained that \$800,000 is reflected in revenues under state shared revenues.

It was asked if overage from W/S go back into W/S and Karr confirmed that it does.

Assistant Director Ford noted that the Town is in a good position from a revenue point, especially in terms of expenditures for personnel. Ford noted that staff had reviewed the Consumer Price Index and reviewed the decisions of other municipalities to determine a proposed Cost of Living Adjustment (COLA) of 5 percent. Ford explained that a few other increases from department requests include increasing fuel cost, repairs, training expenses, etc. Ford presented expenditures by department.

Assistant Director Ford explained that the major goal today is to remove the \$35,000 deficit from the general fund through the goals of staff and Council.

HYDRO DISCUSSION

Mayor Pritchett noted that it is not likely to have a revenue increase because there is property tax reevaluation and hydro numbers are uncertain. Commissioner Proctor noted that hydro related to rainfall and maintenance. Public Services Director Dean Lindsey said if there is water, the Town is always in the position to be running the generators at the hydro plant. Karr noted that the Town has to consider when the lake is down, adjusting the expenditures to match revenues. Mayor Pritchett suggested reviewing if hydro expenses are matching with revenues and see what the Town can do to reduce expenses. Karr noted that two years ago, dam related activities were moved from hydro to general fund. Commissioner DiOrio noted that the \$400k in hydro is mostly paying for the personnel operations and expressed that he thinks that \$400k is a good and conservative estimate number. Director Lindsey agreed with Commissioner DiOrio and noted that only one individual is in hydro personnel costs now because all others transferred to dam operations and public works. Lindsey also noted that all labor is in general fund and W/S expenses are used for equipment and maintenance. Commissioner DiOrio noted that the moving of the additional personnel from hydro would put us in the green for hydro operationally. Mayor

Pritchett asked what we can do to cut expenditures in the future and Director Lindsey noted that chemical costs will go down after fixing infiltration issues linked to the sewer system. Lindsey noted that his department is currently working to fix infiltration.

Director Karr explained that hydro fund equity is equivalent to fund balance for general fund. Commissioner DiOrio noted that this year a lot of the fund equity was spent on making updates to bring the plant up to safety standards.

There was general consensus is that \$400k is an appropriate estimate for the hydro budget.

Karr said that the general fund is now \$100,000 under due to moving electric personnel to public works. Karr also noted that we can move the TDA (200,000 including 100,000 from the town) can be moved to the next year in order to rid of the deficit. Commissioner DiOrio asked if there any mechanism to move fund balances to balance the budget. Karr said yes, but the Town's philosophy is to be conservative on revenues and strive to have a surplus in fund balance each year and that the Town currently has a healthy fund balance which can be used to balance the budget if there are no other options.

PUBLIC SERVICES DISCUSSION

Public Services Director Lindsey discussed the infiltration issues and costs that may be involved include repairs, a jetter, and more. Commissioner Doster asked if the Town could rent a jetter and Lindsey said that the Town can but would held responsible for any issues that take place. Lindsey also noted that the tactic being used to fix infiltration issues requires a full pond and the generators are not being ran twice a week as a result. Commissioner Proctor asked if the Town could run the hydro all week and pay overtime for Saturdays and Sundays to check the pipes, so there is no loss of generation revenues. Lindsey will look into this. Mayor Pritchett asked how many people are working on pipes on Mondays and Tuesdays and Lindsey answered that three people have been working on it. Commissioner asked how many people total work under Director Lindsey and he explained that there are four in public works, admin, himself, and three in hydro so there are eight total. Commissioner DiOrio asked if this is enough personnel for the foreseeable future. Lindsey requested one more person for public works and moving one person from public works to dam/hydro. Lindsey estimated that one more person with entry level would be about \$30,000 plus benefits. Commissioner Proctor asked if the current budget draft reflects one additional personnel and Karr said it does not.

Mayor Pritchett suggested to go through expenses to try to balance the budget.

It was determined that in hydro the town will take out all but \$70,000 in salary.

Commissioner Proctor asked about the \$5,000 dollar increase for uniform and Lindsey explained that he wanted to buy Town uniforms to make staff more presentable to residents when they are working in the field. Assistant Director Ford asked uniforms reflect the addition of a new staff member and the number does not reflect an addition. Lindsey said they would need to add jeans and shoes which would increase the price to \$8,000.

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Commissioner Proctor asked what contractual services represent under public works and Karr said it is a copier lease, a cylinder rental, and a monthly charge for 811 locator charge service. Commissioner Proctor asked why the contractual services increased so much and Karr answered the increase reflects a new copy machine for the public works building.

Commissioner Doster asked about the automotive supply increase and it was explained that this includes gas, diesel, tractors. Karr noted that it was an old line item and he did not change it in order to look into trends from the past.

Commissioner DiOrio asked why a HVAC system is in the police and not public works. Karr noted that it is in the capital now. Increasing PW to about 836,404.

It was noted that hydro certifications can be taken out of public works because all certifications would be W/S and also noted that electric can be reduced to 500. Participants discussed the power purchase agreement. Commissioner Proctor noted that the Town used to hire a consultant. It was also noted that contractual service under electric is for any repair or maintenance of the hydro plant that the town cannot complete.

Mayor called for a break at 10:00 a.m. Reconvened at 10:13 a.m.

Director Lindsey noted that the one other item for public works that may be beneficial is GIS software and is asking for \$15,000 for Highland Mapping to make existing maps and overlays usable. It was discussed if the Town could use ARPA funds and discussed what department budget GIS would be included in. There was an overall feeling that ARPA can be used to fund GIS for \$15,000. Commissioner DiOrio recommended hiring a GIS person and see if they have the skills to do what we need for GIS without paying the \$15,000. It was determined that this idea was beneficial and that it would make sense to have GIS qualifications required for the new Community Development personnel. Interim Manager Stewman noted that her and Director Williams will require a GIS certification in the job description. Commissioner Proctor asked if salaries and benefits for this person are reflected in the current budget and it was determined that the budget does reflect this position but it may need to increase with an additional qualification requirement.

COMMUNITY DEVELOPMENT DISCUSSION

Director Williams noted that the salary increase shown includes one additional personnel and a project manager.

Karr noted that he put a placeholder for rent section, since Community Development will be renting a facility for an interim period, but Karr noted that rent will likely have to increase.

Commissioner Doster asked what Director William's contractual services are for. Williams explained it is used for BMS (permitting software) and a copier contract. Williams mentioned looking into a new copier contract.

It was discussed that the \$4,000 dollars for travel and transportation line item it for travel and transport and for certifications.

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Director Williams noted that legal services needed to increase as the Town Attorney is needed more by the department.

PARKS, RECREATION, AND LAKE DISCUSSION

Director Givens explained that the salary increase is for the new administrative position and an additional maintenance technical.

It was noted that boat fuel and supplies are remaining the same until the price of gas is clearer. Line item number 212 is for town vehicles and machinery, and 213 is boat services, repair, and gas. Item 213 will include a new boat motor in the upcoming year. Commissioner Proctor asked if line item 213 should be increased. Givens noted that police are taking over their boat fuel/maintenance which will relieve costs for Parks, Recreation, and Lake Department.

Mayor Pritchett asked where the Town is getting fuel. Director Lindsey noted that Public Works has diesel, but gets gas from most everywhere eligible. Director Williams said Community Development will now go to McGuins to get gas. Mayor Pritchett noted that limiting town vehicles that are going home with people in public works should reduce fuel usage.

Director Givens reviewed Emergency repairs in grounds maintenance.

It was noted that dredging and debris removal has been moved to capital.

Director Karr Monies from golf course equipment sale should be received soon and Givens expressed that he wants to use money to finish rehab and repair of greenspace, building, and put in a new cart barn. Commissioner Doster asked how much was spent on renovations. Givens stated that it is less than \$40,000 and the department used left over money from the golf course.

Commissioner DiOrio explained that money from marina, lake services, and other lake operations go into the Parks and Rec budget. Commissioner DiOrio noted that because of this the department is not an enterprise fund but are self-sustaining.

Commissioner Doster asked contractual services. Karr cited RecDesk, kudzu/invasive plant management, trail stewardship program, a copier contract, and water lake testing.

Mayor Pritchett called for a lunch break at 11:30 a.m. The meeting was reconvened at 12:07 p.m.

POLICE DISCUSSION

Assistant Director Ford explained that Chief Humphries requested an additional \$2,000 on operating budget, but reduced contractual services by \$2,500. It was noted that contracts include DCI, AT&T, and body cam replacement contract.

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Chief Humphries noted that the only increase that is not budgeting is salary increases which would equate to about \$72,896.

Commissioner DiOrio expressed support for increased lake presence has increased police presence and noted that the body cameras contract will be useful for various reasons.

Chief Humphries had provided Council with a packet that includes salary increase requests which are determined by a pay study contacted by David Hill. It was noted that the numbers displayed include the COLA increase of 5 percent.

Commissioner DiOrio announced that he had to depart from the meeting early. Commissioner Proctor made a motion to excuse Commissioner DiOrio. Commissioner DiOrio was excused at 1:35 p.m.

Commissioner Proctor asked for additional time to review the information provided by Chief Humphries and suggested that Council discuss at the upcoming work session meeting. Council members agreed.

FIRE / EMERGENCY MANAGEMENT DISCUSSION

Chief Waycaster requested one additional full time personnel which would result in Assistant Chief Chris Melton transferring to working Monday-Friday. It was discussed that the Town may end up expanding services and if this takes place, the department would apply for a safer grant to obtain additional personnel. Chief Waycaster noted that if expansion takes place, it is not possible to meet the standard with only 7 people. Waycaster explained that the safer grant pay people for a set amount of years and then the town would take over salaries the remaining years. Chief Waycaster noted that right now we do not have the personnel or the appropriate space for an additional staff.

It was discussed that the Fire Department also had a pay study conducted by David Hill. Chief Waycaster agreed to contact Hill and ask about any update with pay study.

There was consensus to re-evaluate the department budget requests at the working meeting, when the pay study is updated.

ECONOMIC DEVELOPMENT AND ADMINISTRATION DISCUSSIONS

It was discussed that very few changes were made to the Economic Development budget and the Administration budget. Director Karr noted that the engineering services and lobbyist line items increased. Karr also noted the possibility of backfilling a vacant position when he retires.

IV. REVIEW AND DISCUSSION DRAFT 10-YEAR CAPITAL IMPROVEMENT PLAN (CIP)

Mayor Pritchett noted a UTV can be removed from the capital due to prior discussion in regard to the Parks, Recreation, and Lake Department. Director Karr noted that the UTV is a loan, but the Town can save debt service it which would save a little bit of money and explained that loan proceeds fall under revenues, basically dissolving.

There was discussion in regard to Town vehicles and take home vehicles. Director Karr noted that he thinks any vehicle older than a 2019 is paid off. When asked about his department, Chief Humphries stated that there are eight officers and himself, and that the department is keeping up annual procurement of police vehicles and will usually sell a reserve vehicle with each procurement of a new one. Commissioner Proctor asked Chief Humphries what the department is selling this year. Chief Humphries answered a 2010 Dodge Charger. Chief Humphries noted that there is a 2,000 dollar difference in original vehicle and the one that the Town is actually procuring. Fire Chief Waycaster explained that his department is doing away with 2001 Tahoe when a vehicle is acquired from the Public Services Department. Commissioner Doster asked if the three public services vehicles for dam/hydro are necessary. Director Lindsey noted that the dam/hydro are on call 24 hours, so the two employees in that area of Public Services require a take home vehicle. Director Lindsey noted that when a member of public works is on call they should get to take home a vehicle. Lindsey also noted that three public works employees have take home vehicles regardless of whether or not they are on call because of past department directors. Discussion on the level of necessity of take home vehicles continued. Assistant Director Ford asked if employees are going to want an increase in something else if take home vehicles are taken away and they answer is uncertain. Ford noted that it is easier to let them use take home vehicles on call instead of reimbursement. Interim Manager Stewman and department directors are going to further research town vehicles and policies.

Commissioner DiOrio asked if the Town can delay the procurement of a police/fire boat house and floating dock. Staff answered yes. Commissioner DiOrio explained that the moveable/floating boathouse would be used during drawdown periods. Chief Waycaster explained that currently the fire boat has to be out in the open and monitored. Commissioner DiOrio proposed that we leave it in the budget. Commissioner DiOrio asked if we could pay for it this year. Director Karr answered that it can be done this year and he will need do a budget amendment and create a PO by June. There was a consensus to proceed with the recommendation and remove the police/fire boat house and floating dock from the CIP.

Commissioner DiOrio noted the pool creek bridge light project in the CIP, which involves restoring and erecting lights and concrete poles on the Pool Creek Bridge.

Director Lindsey explained that in terms of street paving, out of 150k, half of it would be an actual expense.

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Commissioner Proctor asked about e bikes in the CIP. Chief Waycaster explained that the e bikes are to carry medical supplies, GPS, and more in order to do rescues in places that UTVs cannot access. Commissioner Bryant asked if the Town can appropriate this year or finance.

Commissioner DiOrio asked about the actual cost to begin building the public safety building. Chief Waycaster and Director Karr noted we will have to bid out the public safety building. Chief Waycaster noted that he had gotten a response from a grant service that would find grants for public service facilities.

There was question as to whether or not the Town is able to get a loan for the e bikes and the police vehicle and combine as a loan for debt service.

It was noted that the TDA funding of \$200,000 could be used in two years and the Town could transfer the FY 22-23 TDA \$200,000 fund to create a FY 23-24 \$400,000 fund. Council ultimately decide to keep the \$200,000 in the CIP for FY 22-23.


After no further discussion, the Town removed \$14,000 from the capital and use some funding this year.


V. ADJOURNMENT

Prior to adjourning, Commissioner Proctor made a motion to adopt the 10-year CIP, as amended. Commissioner Doster seconded and the motion carried 3-0. The adopted CIP is attached as Attachment A.

With no further business, Commissioner Bryant made a motion to adjourn the meeting at 2:30 p.m. Commissioner Doster seconded and the motion carried 3-0.

ATTEST:


Olivia Stewman,
Town Clerk


Mayor Carol C. Pritchett