

**TOWN OF HARRISBURG, NORTH CAROLINA
COUNCIL BUDGET WORKSHOP
HARRISBURG TOWN HALL
SATURDAY, APRIL 16, 2016
MINUTES**

CALL TO ORDER

Mayor Steve Sciascia called the meeting to order.

PRESENT: Mayor Steve Sciascia; Mayor Pro-Tem Benita Conrad, Councilmen Chad Baucom, Christopher Barfield, Ron Smith, Rick Russo, Jeff Phillips

ABSENT: Rick Russo

1.

CALL TO ORDER

Mayor Sciascia called the meeting to order.

2.

CLOSED SESSION

MOTION:

Councilman Phillips made a motion to go into Closed Session to discuss property acquisition. Second was made by Councilman Barfield. **The motion passed 6-0.**

Following the Closed Session:

MOTION:

Councilman Phillips made a motion to come out of Closed Session and return to regular business. Second was made by Councilman Booth. **The motion passed 6-0.**

3.

NEW BUSINESS

BUDGET DISCUSSION

Interim Town Administrator Lee Connor made opening statements. Council has received the first draft of the proposed FY2017 budget.

Property Taxes:

Interim Town Manager/Finance Director Lee Connor presented a revenue neutral option as required due to the revaluation this year. Discussed also the possibility of leaving the tax rate where it is.

Water/Sewer Rates:

Proposing a rate increase this year. WSACC has raised our rates 5% again this year, and has done so over the last couple of years. We have not raised rates since 2010. Two options for increase presented, including a 10% and a 14.5% increase.

Discussion also included the possibility of leaving the base rate the same, but increasing rates as usage increases; as well as whether the rate for outside customers should increase the same or at a higher level.

Discussion included the need for planning for future infrastructure needs.

Stormwater Fee:

Proposing an increase from \$4.64 per month to \$5.62 per month. This works out to \$11.76 per year for residential customers. We generally have about \$200,000 - \$250,000 each year for projects, and we currently have over \$1,000,000 in projects waiting to be done. The only way to accelerate the completion of these projects is to raise rates or take out a loan.

The proposed increase would give us approximately \$97,000 in additional funds each year for these projects.

Council would like to see more communication and education of the public concerning the benefits of the Stormwater Fund.

Vehicle Tag Fee:

Proposing a fee of \$15.00 per vehicle. This would generate approximately \$200,000 per year.

As of July 1, 2016, State statutes will allow a charge of up to \$30.00 per vehicle. The first \$5.00 can be used for anything; up to \$5.00 can be used for public transportation, and the rest must be used for streets. We are proposing the entire fee be used for streets. We are very behind on resurfacing projects in the Town. Currently, we have about \$200,000 - \$250,000 each year for projects, and this fee would almost double that.

Council discussed deferring this item to the next budget year.

Personnel:

The Personnel Committee met with Department Heads earlier in the budget process to hear justification for new personnel requests. After consideration, the following requests are coming to the Council for consideration:

- New full-time HR Specialist/Safety Officer (Administration)
- Moving the current part-time Permit Tech to full-time (Planning & Zoning)
- Moving the Sergeant position to Lieutenant (Deputies)
- New full-time General Maintenance Aide (Parks & Recreation)
- Moving the current part-time Administrative Assistant to full-time (Water & Sewer)

Discussion of these proposals included the Sheriff's recommendation on law enforcement staffing needs in the Town over the next several years. There are several options on when to increase the number of deputies. After some discussion, Council favored moving the Sergeant to Lieutenant in January 2017, adding two new deputies in July 2017, and finally adding the Sergeant back in the following year.

There will be further discussion on all of the proposed personnel changes at the May 14 Council workshop.

New Funds:

General Fund Capital Reserve Fund-Recreation – With the new “fee in lieu” of requirement for developers, this fund was created to send all of these funds in to one place for the allowable use of the funds in future periods.

General Fund Capital Reserve Fund-Economic Development – This fund was created to allow funds to be budgeted in the General Fund and be transferred to this fund. A set amount would be established with the budget each year and transferred. As there are capital projects relating to incentives and façade grants that are identified for economic purposes, funds will be taken from this fund and transferred back to the General Fund for use.

General Project Fund-Recreation – The current year CIP has a new Parks and Recreation facility to be constructed in FY18. This fund will establish the cost of the project, with design and engineering budgeted for in FY17.

Water and Sewer Capital Project Fund-General – There are plans to establish a fund balance policy for the Water and Sewer Fund, similar to the General Fund, to allow for future capital purchases to be funded from it. The policy will be recommended by staff to have a minimum 75 day working capital requirement. Any amount in excess of the 75 day working capital would be transferred to this fund. Future capital projects would use this fund to fund those projects.

Water and Sewer Capital Reserve Fund-Expansion – With the new system development fee model, the calculation of fees was tied into the identification of certain projects that expanded the water and sewer level of service. All system development charges will automatically be transferred at the end of each year into this fund and only be allowed to use them on those projects identified in the model and are expansion-related.

Space Needs:

We are currently out of space at Town Hall. Options discussed included purchasing the upstairs of this building for expansion, or building a new Town Hall. After some discussion, a Facility Committee was created to study further. Members assigned to the committee are: Councilman Baucom, Councilman Barfield, Councilwoman Conrad, and Mayor Sciascia.

General Fund Revenues:

Baseball Registration Fees – these are coming down some as we are over capacity at our current facilities.

Concessions – Discussion included the possibility of running the concessions ourselves, and not contracting this out.

Sale of Assets – this one is down this year because of the sale of land in last year’s budget.

Fire Department Revenues:

Discussion concerning the 15 new grant firefighters. What happens when the grant runs out? It is likely that we will have to lose 6 of these at the end of the grant, providing we do not get another grant to cover them longer.

There is concern among Council that we are not going to be able to keep up with current projected costs over the next few years. How do we increase revenues? Are fundraisers a possibility? Discussion also included overtime costs for the Fire Department. Council would like for the Fire Department leadership to put together a plan for raising revenues.

Councilman Phillips was excused from the meeting at 11:30 am.

Council:

Discussion included evaluating the CCOG fee, questions about NOVUS Agenda software currently being used for agenda packets, and branded apparel for Council members.

Administration:

Questions concerned salaries, branded apparel, and furniture costs. Other items discussed included the following:

Council would like the Town to begin following the same vehicle replacement schedule for deputies as the County does.

Council asked that all Town vehicles be properly marked.

The awning on the back of Town Hall is in need of replacement. Staff was directed to contact the owner of the building to request the replacement of the awning.

Councilman Booth was excused from the meeting at 12:15 pm.

Citizens Academy/Youth Academy – Council will consider the Citizens but maybe not the Youth Academy at this time.

Communications:

Talk with Republic Waste to see if they will sponsor the magnets that are mailed to residents concerning the pick-up schedules.

Monthly Design Retainer – Look at other possible options for this.

Videography and Photography – Look into other options to reduce the costs.

4.

ADJOURNMENT

The meeting was adjourned by consensus of Town Council.

Steven J. Sciascia, Mayor

ATTEST:

Janet Rackley, Town Clerk