

TOWN OF MOCKSVILLE
BUDGET WORK SESSION

April 12, 2018

The Town of Mocksville Board of Commissioners met for a Budget Work Session on Thursday, April 12, 2018 at 5:30 p.m. in the Mocksville Town Hall.

| | | | |
|-------------------------------|--------------------|----------------|------|
| Present: | Mayor Will Marklin | Absent: | None |
| Commissioners Present: | Brian Williams | | |
| | Eric Southern | | |
| | Rob Taylor | | |
| | Amy Vaughan-Jones | | |
| | Brent S. Ward | | |

Others Present:

Marcus Abernethy, Town Manager
Lynn Trivette, Town Clerk
Todd Penley, Police Chief
Brian Moore, Public Works

Mayor Marklin called the Budget Work Session to order.

The Town of Mocksville Board of Commissioners paused for a moment of silence.

Area Agency Funding Requests

Jane McAllister from the Davie County Public Library came and presented a power point to the Board allowing them to perceive what all the Davie County Library organizes for the community and how the funding is generated. County and Library funding equals 80%; State and Town funding equals 20% and the State funding is based upon the ongoing support from the County and Town. The public library serves as a community common, connecting people of Davie County to each other and the world through stories, knowledge and technology. The vision is to provide the resources, services and programs needed for all individuals in our community to succeed. The Davie County Public Library is requesting \$43,500.

Jeff Cockerham, Transportation Director from YVEDDI came and addressed the Board discussing YVEDDI's transportation program. YVEDDI is the lead transportation agency for Davie, Stokes, Surry and Yadkin Counties. They provide over 100,000 trips per year resulting in 1.5 million miles per year Davie County is approximately 350,000 of those miles per year. YVEDDI plans to add bus stop signs. Currently it cost \$2.00 for a day pass; elderly and disable and a \$3.00-day pass for others. YVEDDI sent a

financial support request indicating that YVEDDI would start a route without a financial commitment but in the beginning of 2019 would request a funding match from the Town. Currently the route stops at Walmart, 601 Baptist Care, Food Lion, Dept. of Social Services and adding the YMCA. The route is Monday through Friday from 7am to 6pm with 21 stops seven trips a day so far. YVEDDI provides their own car seats and is handicap accessible. The goal is 300 people but will take a while to reach this total. YVEDDI is requesting \$9,750.

Sidniee Suggs, Director of the Davie County Arts Council came and presented a power point to the Board allowing them to perceive what all the Davie County Arts Council does for the community. Established in 1975, the Davie County Arts Council is a non-profit organization dedicated to the discovery, appreciation and enrichment of the arts throughout Davie County. Located on Mocksville's historic Main Street, the Arts Council has been carrying out its mission of "Connecting PEOPLE to the ARTS!" for decades. Along with community outreach programs such as Arts in Education for students, the Arts Council provides performing and visual arts events in its beautifully-renovated Brock Performing Arts Center and Gallery. The "Brock" has earned the reputation for being a premier listening room for acoustical music throughout North Carolina and hosts an annual performing arts series, highlighting music, theatre, dance, and more! This 485-seat center is also available for rent by the community, as well as by professional performers. Special rates are offered for non-profit organizations. Davie County Arts Council requesting \$27,000

Manager's Report – Updates and Emerging Issues

Town Manager, Marcus Abernethy says in last year's budget the library was \$39,150 requesting \$43,500 and the arts council \$24,300 requesting \$27,000 they both were cut 10%. Along with those the Board needs to discuss donations to the Joppa Cemetery \$2,500 and Garden club \$1,500 which have always been given in the past but the Town needs documentation for the funds. YVEDDI would be a new donation and the Board can discuss and present their thoughts on budgeting this item. The presentations were an excellent idea and a first and gave the Board the knowledge and history of what they represent and how they serve the Town. These informative presentations help make positive decisions.

Review of Visioning

Matthew Dolge helped the Board vision the Town's past, present and future since 2010. Discussing these items helped highlight the discussions ahead for positive decision making.

Highlights for the Town of Mocksville

Stable economy, small town feeling, employment low, good special events, good schools, downtown has more life than it did years ago, appearances are good, respectable govern body who cares about the Town.

Disappointments in the Town of Mocksville

Trees cut down in the square, traffic which is a part of economic growth, employment shortage in our community, age demographic, housing and workforce, technology changes, substance abuse issues.

Overview of Capital Outlay Items and Capital Improvements Plan/Additional Prioritization

Show and explain the fund balance questions:

| | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | April 2018 Balance |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| GENERAL FUND | \$ 7,739,027.00 | \$ 8,151,533.00 | \$ 7,342,956.00 | \$ 8,012,571.00 | \$ 793,705.00 |
| WATER / SEWER FUND | \$ 1,498,274.00 | \$ 1,584,832.00 | \$ 908,640.00 | \$ 822,755.00 | \$ (379,670.00) |

This is a current snapshot which captures a moment in time. Until late May or June it is very hard to estimate what fund balance will be? By April the staff has purchased most of the capital improvement items and spending slows down so the rest of the year is typical monthly expenditures. (Payroll, power, fuel etc.) General Fund is in good shape but as of today the Water Fund would need some help. Until June the staff doesn't have a crystal ball to see the exact numbers.

What is the % of customer's that does not pay their bills?

Property taxes collected 98%.

Question: Sales tax from the County (in year-2) \$300,000 hold harmless money; paid quarterly (5 years was at 100%) (year-2 at 60%)

.01 on the tax rate generates about \$80,000

New item to discuss:

Municipal Tag Fee Revenue

| License MV Tags- Mocksville | \$ | \$ | \$ | \$ | \$ | \$ |
|--------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | 5.00 | 10.00 | 15.00 | 20.00 | 25.00 | 30.00 |
| 5,187 | \$ 25,935.00 | \$ 51,870.00 | \$ 77,805.00 | \$ 103,740.00 | \$ 129,675.00 | \$ 155,610.00 |

The County collects the Town's property taxes charging 1.5% and 1.95% to collect the vehicle taxes. The Town has 5,200 tags registered in Mocksville and the new vehicle tax funds can only be used for streets.

Keep tag fee on the table. \$30.00 is wanted and \$15.00 sounds good.

§ 20-97. Taxes credited to Highway Fund; municipal vehicle taxes.

Municipal Vehicle Tax. - A city or town may levy an annual municipal vehicle tax upon any vehicle resident in the city or town. The aggregate annual municipal vehicle tax levied, including any annual municipal vehicle tax authorized by local legislation, may not exceed thirty dollars (**\$30.00**) per vehicle. A city or town may use the net proceeds from the municipal vehicle tax as follows:

- (1) General purpose. - Not more than five dollars (**\$5.00**) of the tax levied may be used for any lawful purpose.
- (2) Public transportation. - Not more than five dollars (**\$5.00**) of the tax levied may be used for financing, constructing, operating, and maintaining local public transportation systems. This subdivision only applies to a city or town that operates a public transportation system as defined in G.S. 105-550.

(3) Public streets. - The remainder of the tax levied may be used for maintaining, repairing, constructing, reconstructing, widening, or improving public streets in the city or town that do not form a part of the State highway system.

(c) Repealed by Session Laws 2015-241, s. 29.27A(a), effective July 1, 2016.

This is a simple process and if the Board votes it in the vehicle tax would be added to the budget message and an ordinance written. The first \$5.00 can be spent on anything and the other funds must be spent on streets. Staff can ask if the mass arms can be included in these expenses. The Town's streets are funded with \$160,000 Powell Bill and the rest of the funds come from property taxes and sales tax etc. Staff is projecting \$170,000 for paving with the NCDOT. Street sweeping is \$25,000 and we contract that out with McCoy's.

Town Manager, Marcus Abernethy created a paving spreadsheet with the help of Public Works, Brian Moore that will work as a maintenance plan. The first 8-10 are priority streets to pave. Salisbury Street? Depot Street? The Square? 157 streets in Mocksville; 9-10 a year; taking 20-25 years to go all around Town. NCDOT surfacing N. Main Street not including the circles. Quote the cost of the circle and the parking areas. Priority the Square. The street beside the Fire Department is a private street. \$1,500 sign line item added to streets. Commissioner, Ward requests new signs and poles and feels it should be a priority for the Town. Some streets do not have signs and the poles are rusted. The staff could order 200 black poles and order new signs and put the Town seal on the signs. The staff will get a quote for poles and signs.

| Street Name | Scale 1-5 condition of the road (1=very good, 3=adequate, 5=very poor) | Last resurfacing year | Previous Resurfacing Year | Category | Next Resurfacing Year |
|-----------------|------------------------------------------------------------------------|-----------------------|---------------------------|----------------|-----------------------|
| Bailey St | 4 | 1994-1995 | | Pothole Repair | 2018-2019 |
| Bingham St | 3 | | | Paving | 2018-2019 |
| Circle Dr | | | | | 2018-2019 |
| Crow St | 3 | | | | 2018-2019 |
| Hemlock St | 3 | | | Pothole Repair | 2018-2019 |
| Hillcrest St | 4 | | | Paving | 2018-2019 |
| Holman St | 4 | | | Road Sign | 2018-2019 |
| Hunt St | 3 | | | Paving | 2018-2019 |
| Oak St | 3 | | | Paving | 2018-2019 |
| Park Av | 3 | | 1994-1995 | Paving | 2018-2019 |
| Spring St | 3 | | | Paving | 2018-2019 |
| Sunset Dr | 4 | | | Pothole Repair | 2018-2019 |
| Angel Knell Ave | | | | | |
| Applegate Ct | | | | | |
| Ash Dr | | | | | |
| Avon St | 1 | 2017-2018 | 1995-1996 | Resurfaced | |
| Azalea Dr | 1 | 2017-2018 | | | |
| Beechwood Dr | 1 | 2017-2018 | | | |
| Benson St | 2 | | | Needs Rock | |

Discussion to increase public service fees: \$80,000 Revenues per year

| GENERAL FUND | Current Budget FY 17-18 | Current YTD FY 17-18 |
|-------------------------------------|----------------------------|-------------------------|
| 10.5800.2500 | | |
| LANDFILL FEES | \$ 60,000.00 | \$ 30,420.36 |
| 10.5800.4507 | | |
| CONTRACTED SER. RESIDENT | \$ 167,000.00 | \$ 126,643.26 |
| Totals for Department: | | |
| 5800 (SANITATION DEPARTMENT) | \$ 227,000.00 | \$ 157,063.62 |

Currently the Town is charging \$3.50 per month and we offer landfill, recycle, leaf pick up and staff time and these charges are not covering the Town's expenses. The apartments have a dumpster and they pay for those. The public service fees could be raised to \$7.00 a month and give the Town another \$80,000 though it would not cover all expenses this would still help. Maybe \$3.50 to \$5.00?

Water rates: Bi-Monthly

Enterprise Fund needs to operate on its own and it should not rely on the General Fund. Currently the revenues are not taking care of the operating expenses. A spreadsheet was created so the water rates could be looked at using various scenarios. It calculates the water rate changes and shows what additional revenue it would bring in for the Town. Question is: Does the amount take care of the operating expenses? Its hard to compare with other Town's or Counties because each one has their own operating expenses.

- Discussed 4%; would change to \$28.55 -\$29.69 this still is on keeping up with inflation.
- Discussed outside 8% and large water users, double because they don't pay taxes, but the volume of customers are not there.
- \$59.07 sewer \$47.74 base rate
- Base rate double what the Town's is
- Increase the cost per gallon
- Double increase our own citizens

Additional Direction to Staff

Fire Department going full time has been discussed for 20 years. The taxes must be raised to have a full-time staff or a fire tax for the district could pay for this also. Commissioner, Ward is concerned if a fire started downtown and their might not be enough coverage. \$188,000 to pay for 4 full-time employees. .02 tax increase would bring in \$160,000. The taxes use to be .38 why did the Town drop the rate to begin with? Can the Town increase the part-time help? Increase their pay? Not hiring full-time fire fighters this budget year.

Police Capital Outlay – The Board approves their list but Chief Penley is willing to take out the \$20,000 ID printer.

Public Works Capital Outlay – The Board approves their list and agrees with hiring 4 more staff and getting 2 trucks. The Board requests that the trucks are kept clean. Don't contract out the street sweeping this year and let our staff handle it. Save the monthly cost and buy the Town a street sweeper.

Governing Body – The Board decided not to remodel the meeting room but purchase the TV and I-Pads. Lynn can move to the round table.

Water and Sewer - Board approves all. Went over improvements with Chuck and these projects are up to date.

Administration- The Board approves hiring a part-timer and Lynn Trivette moving into the Mayor’s office if the Town Manager approves the change. The concern is service delivery in the Town Hall, but Beth and Donna are fine with the idea.

Community Development- The Board approves hiring a part-timer.

Parks and Grounds - The Board approves the departments list. The Board approves 2 full-time employees instead of 1 but buy a tractor and bush hog; don’t contract out mowing the sewer right-a-ways. Parks and Grounds would mow it. The baseball field lights are approved.

Greenway - Take the Greenway out of the operating funds and if a grant is approved create a project ordinance.

The recommended budget that is brought May 1st will be balanced but might need to use appropriated fund balance. If the Board needs to deliberate further; another budget session is scheduled.

The Board does not want to go under 70% fund balance.

No departments are over their budget today, but June will tell us more.

Comp time was paid down to 40 hours and ½ of the holiday banked hours were paid. The other ½ will be paid in May. The end of holiday banked hours.

| | Current Budget | | Current YTD | |
|-----------------|----------------|-----------|-------------|-----------|
| | FY 17-18 | | FY 17-18 | |
| General Fund | | | | |
| Revenues | \$ | 6,469,143 | \$ | 5,413,981 |
| Expenditures | \$ | 6,469,143 | \$ | 4,943,404 |
| Enterprise Fund | | | | |
| Revenues | \$ | 5,782,325 | \$ | 2,365,599 |
| Expenditures | \$ | 5,782,325 | \$ | 2,420,269 |

Next budget work session is scheduled for May 17, 2018 at 5:30pm.

Adjourn

A motion was made by Commissioner, Brian Williams to adjourn the April 12, 2018 Budget Work Session. The motion was seconded by Commissioner, Rob Taylor and approved by a unanimous vote. 5-0

William J. Marklin, Mayor

Lynn Trivette, Town Clerk, NCCMC