

Mount Pleasant

North Carolina

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**Town of Mt. Pleasant
Board of Commissioners
Budget Workshop Meeting
Town Hall- Executive Board Room
Saturday, March 3, 2018 at 8:00 A.M.**

Attendance: Mayor Del Eudy
Mayor Pro-Tem/Commissioner Lori Furr
Commissioner Warren Chapman
Commissioner William Meadows
Commissioner Steve Ashby
Commissioner Justin Simpson
Town Administrator Randy Holloway
Town Clerk Amy Schueneman

Also Present: Crystal Smith, Bobby Hartsell, Jerry Taylor, and Kenneth Black.

Mayor Eudy called the meeting to order and welcomed those attending.

Mayor Eudy then turned the meeting over to Randy Holloway, Town Administrator, and Crystal Smith, Assistant Town Administrator, to present the Power Point presentation for the FY2018/2019 Budget Workshop.

****Attached to the Minutes of the Budget Workshop in the Minute Book is a copy of the Power Point presentation.****

Each slide was presented with additional comments listed by page below.

Page 4- Estimates at this time for additional Tax Revenue is flat. Several locations (73 & Main and the old Mt. Pleasant Middle School site) are still not on the tax scroll. However, a tax increase is still not recommended. It will be crucial for the Town to infill within the Town limits to produce extra tax revenue. The Fire Dept. has a slight increase of \$6,135, but raises will use all of it and more.

Page 5-It is critical for the Town to aggressively find grants for infrastructure improvements, especially in water and sewer.

Page 6- The new much lower ISO ratings will be a crucial factor concerning Economic Development.

8590 Park Drive : P.O. Box 787 : Mount Pleasant, North Carolina 28124 : tel. 704.436.9803 : fax 704.436.2921

Page 7- Crystal Smith presented the Recreational/ Events section. The Youth Council has taken on the I Love Mount Pleasant event (formerly I Love My City). They will work around Town Hall in the spring to plant flowers and make it look beautiful.

There was discussion among the Board about holding the Tree Lighting at the square this December. It will depend on if the owner of the property will allow us to put a tree there and if we would be able to get electricity to it. The Board was asked to make a decision concerning the color of the LED bulbs for the 22' Christmas Tree that was just ordered. The decision was for clear to match the new Snowflake Pole Lights that were also purchased.

For Town Beautification Projects Randy Holloway suggested barrel planters from Southern Grace Distilleries to be used as flower pots around town, more benches in the downtown area, and nice trashcans with a hood.

Page 8- One item that the Town needs to finalize is its logo or Town Branding. Once it is decided, t-shirts with the logo can be sold at all events. Commissioner Furr would like to see a bigger Social Media presence for the Town, even if it was a random picture promoting "the Pleasant life" or whichever slogan is selected. It would also help to bring in local businesses into the branding process by starting a Local Business Association (LBA). It was also suggested the Town get with DOT to see if streets could be shut down for festivals/events like in Concord.

Page 10- The liner for the lagoon at the Water Treatment facility is from the 1980's and will be a big ticket item (approximately \$500,000). The sun has caused it to deteriorate over time. Tank repairs cost \$327,000 this budget and will need to be completed again in 10yrs. The Town should put \$25,000 to \$50,000 per year in the water/sewer fund balance to be ready for next time.

Page 15- At this time, the Town is short two Cabarrus County Sheriff's Deputies even though we have been paying Cabarrus County for them. Mayor Eudy was not aware of this until he called them concerning the protesters outside of 73& Main and was informed by the dispatcher that a Deputy from another area would respond. Randy Holloway stated that he had talked to Paul Hunt at the Sheriff's Dept. and he would look at our invoicing and try to credit our payments for the time we were not fully staffed.

Page 16- Concerning the Fire Dept. it is going to be cheaper to build a new building than to remodel the current one. The Town will wait a year and reassess the situation. It may be better to work with Concord to build a joint satellite location somewhere in the Hwy 49-Walker Road area. Money will continue to be set aside next budget year for the project.

Page 23-The Town will have to look for grants or low interest loans to replace the Main water line on N. Main St. There will be funds available in 2024 when all the current loans are paid off to do this project. Financially the Town is not able to start the project until then.

Comments

Randy Holloway concluded that the FY 2018-2019 budget will be presented to the Board in May and if any changes need to be made they will be completed prior to the June meeting. At the June meeting the budget would be adopted. At the end of the day, there is a lot of stuff going on, not a lot in this budget, but behind the scenes. We would like to do this next year without a tax increase or decrease, leave the water rates alone, and try not to use fund balance. A little fund balance may have to be used in the general fund, if we do a few of the things mentioned by Erin Burris in the previous night's meeting like the facade improvement grants for downtown businesses for \$20,000. The money for that is not in the current budget projections. It would have to come from fund balance. According to the Comprehensive Plan, appearance of downtown is a high priority. The Board may want to put a smaller amount in to begin with. As small as our downtown area is, it would not take much to make a big difference. A few of the Commissioners felt it was the business owner's responsibility and they should take ownership for the appearance of their property.

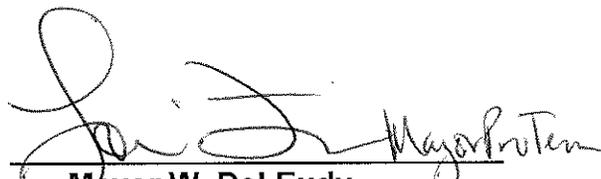
Mayor Eudy asked if we could take the crepe myrtles down by 73 & Main and the old movie theater or prune them and put clear lights on them like Concord. Commissioner Furr asked about who is responsible for the corner flower bed in the Buddy's parking lot. She would like to see it go away since it is full of weeds.

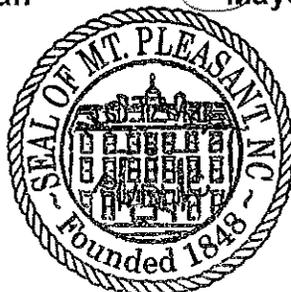
ADJOURNMENT

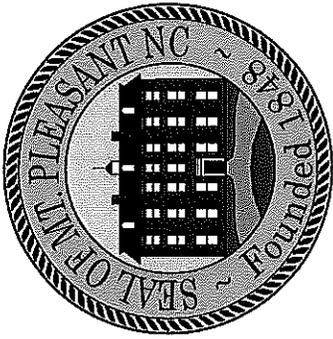
With nothing else to come before the Board, Commissioner Furr made a motion to adjourn. Commissioner Simpson seconded the motion with all Board Members in favor. (5-0)

By our signatures the following minutes were approved as submitted and amended on Monday, April 9, 2018 in the Regular Meeting.


Town Clerk Amy Schueneman


Mayor W. Del Eudy





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Town of Mt. Pleasant

Proposed Budget FY 2018-2019

March 2018

Agenda

Opening / Mayor & Commissioner Comments

- FY 2018/2019 Budget overview
- Department overviews
- Town Board Brainstorming
- Strategy/Priority Setting
- Budget Discussion and Direction to Staff
- Adjourn

GOALS FOR THIS MORNING'S WORKSHOP

❖ Goals for this morning:

- To have a strong sense of the Town Board's values and priorities for fiscal year 2019 and beyond
- Receive Town Board input on multi-year financial plan & capital improvements plan for general fund and water & sewer fund items
- Receive overall initial budget guidance
- Direction on Town "branding" & "beautification" efforts
future signage, trucks, business cards, parking lot sign
- Direction on the Town's economic development efforts
- Direction on code enforcement efforts

State of the Town

- Current tax rate of 50.5 cents per \$100 tax value – Total Value \$146,654,409 (FY 2018-2019)
 \$145,830,197 (FY 2017-2018)
 \$ 824,212 (increase) = **(\$4,000 additional GF \$)**
- One penny on tax rate equals \$14,078
- Rural Fire District Revenue (10.3/100)
 \$518,613 (FY 2017-2018)
 \$ 6,135 (increase)

Various Fund Balances as of 2/28/18

- Restricted Fund Balance by Policy (42%)
 - Stabilization by State Statute (8% included in the 42% above)
 - **True Unreserved Fund Balance Available**
 - Powell Bill Fund
 - Park Development
 - Fire & Rescue Relief Fund
 - Capital Reserve Equipment/Law Enforcement Vehicle
 - Escrow (Sidewalks)
 - Water & Sewer Capital Reserve
 - Water & Sewer Checking (Projected Fund Balance)
- | | |
|--|------------------|
| | \$733,581 |
| | \$139,729 |
| | \$106,273 |
| | \$ 67,098 |
| | \$ 33,121 |
| | \$ 35,159 |
| | \$ 36,523 |
| | \$ 6,295 |
| | \$366,733 |
| | \$496,849 |

Current Goals Update

- General Government
 - Respond to all citizen requests for information within 24 hours (on target)
 - Reduce costs through continued contract management and review (on target)
 - Health insurance savings. Currently we are almost \$10,000 under budget on health insurance. Do not anticipate more than an 10% increase in FY 18/19 (on target)
 - Provide financial summary to Board and Departments monthly (on target)
 - Continue digitization of Town records and documents (on target)
 - Manage all projects and operations within budget and scope (on target)
 - Continue seeking grant funds for Board identified strategies (in process)

Current Goals Update Continued

- **Public Safety**
 - Maintain low crime rate through community policing (on target)
 - Maintain expedient response rates (on target)
 - Utilize mobile data terminals to coordinate field operations (on target)
 - Increase paid staffing options for the Fire Department from the current minimum staffing of 3 with a goal of 4 (on target)
 - **Lower the fire insurance rating for the Town and Rural Fire Dist. (complete 11/1/17)**
 - Fire insurance rating rural class 5/9E and Town 4
 - Addition to Fire Station (update later in this report)
 - Continue to pursue grant opportunities to replace rescue tools and apparatus (on target)
 - Pursue efforts to increase fire prevention and public fire education (NEW)
- **Culture**
 - Continue contributions to local non-profits: CVAN, Eastern Cabarrus Historic Museum, Cabarrus Health Alliance, Cabarrus Arts Council, Sonshine Backpack Program, other charitable contributions as requested (on target)

Current Goals Update Continued

- Recreational / Events
 - Continue coordinating Independence Day Celebration and Christmas Parade and solicit donations to match event cost (on target.)
 - I Love Mount Pleasant (Service Projects)
 - Independence Day Celebration (Parade, Entertainment, Food, Signs, Fireworks, Band, etc)
 - Farmer's Market (recent years have been poorly attended, need Board direction)
 - Christmas Light Contest, Tree Lighting ceremony
 - 5K races (Spring & Winter – Sponsored and Coordinated by Fit Connection)
 - Christmas Parade
 - Fall Festival/Backyard BBQ (September 22, 2018 - NEW)
 - Youth Council
 - Community Service Projects: Roaring Readers Book Box at playground, Mini-dog park (NEW)
 - Judging Christmas Light Contest
 - Town Beautification Projects: additional benches, flower pots throughout square

Current Goals Updated Continued

Town Branding (identified in Comp Plan)

- Blue & Gold/Paw Prints/ Tiger Pride theme downtown Mt. Pleasant
- Welcome Signage at Town Limits
- Slogan: “Where everyday is a Pleasant day,” “Experience the Pleasant Life,” etc.

➤ **NEED ADDITIONAL INPUT FROM BOARD**

Current Goals Update Continued

- **Public Works**
 - Continue replacement and repair of damaged sidewalks (on target)
 - Continue free weekly garbage, brush and seasonal leaf collection (on target)
 - Maintain NCDENR yard waste facility permit through continued maintenance and control (on target)
 - Respond to hazardous winter weather with preemptive measures including salt brine on roadways (on target)
- **Water & Sewer**
 - Monitor water & sewer consumption monthly to assess and respond to unaccounted consumption (on target)
 - Respond to all sewer backups within 12 hours (on target – 8 hours or less)
 - Clean 10,000 feet of Town's sewer mains annually (on target)
 - Inspect all of Town's sewer manholes annually (estimated 300, upgrade a minimum of 5% per year toward a goal of 10% per year) (NEW)
 - Smoke test & make repairs to eliminate inflow & infiltration (on target)

Current Goals Updated Continued

- **Water Resources Department (New Section)**
 - Continue to provide high quality drinking water for the Town's 1100 customers.
 - Continue to explore various options to build more redundancy into the Town's water system to include the pre-treatment operations and distribution system.
 - Continue to explore various options to improve water availability for fire protection services towards a goal of at least 1,500 GPM (towards a goal of 3,500) available at 20 PSI residual in all commercial and industrial zones of the Town to support future economic development efforts.
 - Explore various options at the raw water intake to intake to improve operations and cost effectiveness.
 - Explore various options to replace the liner in the lagoon or other treatment options.
 - Continue annual maintenance at the Black Run Reservoir and Dam.
 - Continue to provide for future capital reserve funding to replace the fund balance used in FY-2018 (\$327,000) at a minimum of \$25,000 per year towards a goal of \$50,000 per year.

FY 2017-2018 General Fund Expenditures

Town Department	Budgeted	YTD (As of 2-28-18)	Variance (As of 2-28-18)	% Expended (As of 2-28-18)
Town Hall General	476,950	507,185	(30,235)	106%
Governing Body	34,500	15,260	19,289	44%
Administration & Finance	221,665	130,885	86,772	61%
Planning and Development	69,700	78,140	(8,440)	111%
Law Enforcement	159,000	81,788	77,211	51%
Fire	1,133,883	877,465	341,246	70%
Public Works	41,700	25,805	15,894	62%
Streets	194,099	133,457	30,574	84%
Sanitation	129,500	80,429	49,070	62%
Building & Grounds	84,758	45,383	39,374	54%
Culture & Recreation	189,464	96,783	28,030	85%
Debt Service	63,804	43,095	20,707	68%

**TOTAL GENERAL FUND BUDGET
(ADOPTED) \$2,909,572**

General Fund Revenues Year to Date \$2,679,450 (92%)

General Fund Expenditures Year to Date \$1,951,604 (79%)

FY 2017-2018 Water & Sewer Expenditures

Town Department	Budgeted	YTD (As of 2-28-18)	Variance (As of 2-28-18)	% Expended (As of 2-28-18)
Administration and Billing	182,124	130,053	52,069	68%
Water Operations	179,915	96,599	83,488	54%
Sewer Operations	292,654	225,406	67,419	77%
Water Resources (Treatment)	572,307	270,774	169,775	70%
Debt Service	184,000	12,294	178,669	43%

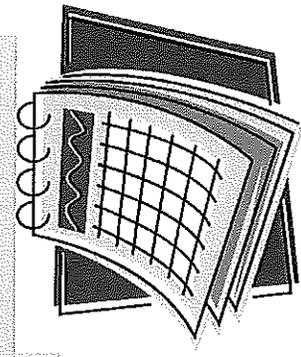
WATER & SEWER FUND BUDGET (ADOPTED) \$1,411,000

Water & Sewer Revenues Year to Date \$1,031,723 (73%)

Water & Sewer Expenses Year to Date \$ 735,129 (52%)

Current Outstanding Debt

Debt	Balance	Annual Debt Payment	Debt Retired
DENR Loan	\$438,565	\$84,760	2024
Public Works Facility	\$256,666	\$46,666	2024
Fire Dept New Tanker	\$169,932	\$35,708	2024
WSACC loan for North Drive Tank (Town assumed loan 2017)	\$353,733	\$68,372	2024
TOTAL PER YEAR		\$235,506	



ALL OUR DEBT RETIRES IN CALENDAR YEAR 2024

In 2024, we will have approximately \$235,506 per year available for other projects!

DEPARTMENT BUDGETS

FY 2017/2018 Approved Budget \$2,909,572

- Law Enforcement \$ 159,000
(includes \$10,000 for police vehicle)
- Fire (*Includes AFG grant total of \$596,000*) \$1,170,000
(Budget \$1,133,883 + tanker payment \$36,112)
- Public Works \$ 333,940
- Administration \$ 733,165
(*includes Parking Lot \$400,000 & Playground Project \$133,000*)
- Planning \$ 69,700

Law Enforcement

- FY 2017-2018 Approved Budget \$159,000
- 2018-2019 Projected (unchanged \$159,000)
- Continue Long Term- Vehicle replacement CIP funding (*Fund currently has \$36,523. Need board direction to continue budgeting \$10,000 for 7-year vehicle replacement cycle.*)

Fire Department – Chief Taylor

- FY 2017-2018 Approved Budget \$1,170,000

Includes annual tanker payment (Budget \$1,133,833 + \$36,112 tanker payment = \$1,170,000)
(This also includes \$596,000 AFG Fire Protection Grant)

- 2018-2019 Requests:

- Continue to budget \$110,000 per year to fund the Capital Project Account for future Fire Station renovation/addition.
- Identify funding to replace 20 year old Rescue tools if current submitted grant is denied. \$30,000
- Identify funding to add 4th staffing position (Friday-Monday – 10 hours/day = \$28,700)

Public Works – Bobby Hartsell

- FY 2017-2018 Approved Budget \$408,357
- 2018-2019 Requests:
 - Maintain budget of \$20,000 per year to replace old water meters with new radio read units for ten years
 - Evaluated making current Part Time Position Full Time (need estimated \$23,000 additional dollars per year + current budgeted salary of \$17,000 per year for a total of \$40,000.)
At this time, we recommend this position remain Part Time.
 - Purchase small bucket for mini excavator (\$1,000)
 - Purchase snow plow (\$6,000) for new truck (purchased in 2017-2018 budget)

Public Works Continued

Solid Waste and Recycling Update

- Contracting out the solid waste and recycling has gone very well.
- We anticipate coming in under budget for FY-2019 by an est. \$5,000
- Request purchase of 200 new **recycle** cans to start five year replacement of old 95 gallon trash cans that are now being used for bi-weekly recycling. \$10,000 (\$5,000 already included in budget)

Planning & Zoning

- FY 2017-2018 Approved Budget \$69,700
- 2018-2019 Requests
 - Update current Code of Ordinances to allow staff to address issues more effectively (\$10,000)
 - Contract with Benchmark in development of CIP (\$8,000)
- 2018-2019 Code Enforcement Requests
 - Identify funding to increase Code Enforcement and activities (\$5,000 additional salary and \$5,000 code enforcement activities for a total of \$10,000)

Administration and Finance

- FY 2017-2018 Approved Budget \$733,165
- 2018-2019 Requests:
 - Consider renovations to concession stand and restrooms at ball field (\$\$\$???)
 - Employee Benefits
 - 401K (additional 1% = FT Salaries 4% towards a goal of 5%) + COLA (goal of 2.5% = FT & PT Salaries, which includes increase for part-time fire personnel) \$19,000
 - Continue paying for agreement with Cabarrus County for Wellness Center
 - Update on health insurance. Currently under budget, and we anticipate no more than an 8-10% increase in premiums in FY-19.
- Long Term-
 - Continue equipment replacement and providing additional data security efforts
 - Branding and beautification efforts
 - Evaluate the current street light effectiveness and add additional lighting as needed. **(Need Board direction on continuing expanding street lights)**

Capital Improvement Plan

- A CIP that focuses on the Town's existing infrastructure will be needed to begin replacing failing lines.

FUND BALANCES

- Projected Water & Sewer Fund Balance = \$863,282
(This figure includes \$356,561 in Water & Sewer Capital Reserve account)
- Projected Current General Fund Balance = \$106,273 (Unrestricted/Unreserved)

EXPENDITURES (PROJECTED COSTS)

Hwy 49 Water Line Estimated	\$ 947,500	
Hwy 49 Sewer line	\$2,015,305	
Summer Street Sewer Pump Station Replacement	\$ 500,000	
Consolidate Sewer Pump Stations	\$5,099,566	
Summer Street, Food Lion, Mountain Brook, Pasture Pump Stations		
Main Street Water Line Replacement	\$1,450,000	
Washington Street Water Line	\$1,575,000	
Fire Department:		
Land for Western Sub Station	\$ 100,000	(1-5 years)
Headquarters Station	\$3,000,000	(1-5 years)
Replace Ladder Truck (100ft ladder)	\$1,000,000	(1-5 years)
Brush Truck	\$ 75,000	(1-5 years)
Replace 2007 Fire Engine	\$ 700,000	(5-10 years)
Replace 2011 Fire Engine	\$ 750,000	(5-10 years)

Potential Future Economic Development Projects Within the next five (5) years

Project	Projected Tax Value	Projected Tax Revenue	Projected W&S Revenues
A	\$30,000,000	\$150,000 per year	\$50,000 per year
B	\$20,000,000	\$101,000 per year	\$40,000 per year
C	\$15,000,000	\$75,000 per year	\$20,000 per year
D	\$20,000,000	\$101,000 per year	\$40,000 per year
E	\$8,000,000	\$40,000 per year	\$15,000 per year
Total Projections	\$93,000,000	\$467,000 per year	\$165,000 per year
Projected motor vehicle tax revenue		\$41,612 per year	
Total projected additional tax revenues		\$508,612 per year within five years	

Projected tax value for FY-2019 is \$146,654,409 (which includes \$13,000,000 motor vehicle value) and the projected tax revenue is \$710,980 (which includes \$65,000 in motor vehicle tax revenue).

These projects would bring an additional 72% increase in tax revenue!

CIP EXAMPLE OF MAIN STREET WATER LINE REPLACEMENT

- \$1,450,000 for water line replacement @ 3% interest rate for 20 years = \$96,500 per year for 20 years.
- Currently there is no additional funding available. However, in 2024 we will have \$230,618 in additional funding per year.

Water Treatment Issues

- Pumps at raw water intake need to be replaced. \$ 20,000
- Pumps at water treatment plant needs repair. \$ 20,000
- Working to identify various revenues to include cell tower placement on North Drive and Foil Street water tanks. (Estimated revenue of \$30,000 per year)
- Replace two deep well lagoon pumps \$13,000
- Repair/Replace back wash vault mechanisms \$10,000
- Explore various options at raw water intake
- Explore options to replace liner in lagoon or other treatment options
- Continue annual maintenance at Black Run Reservoir and Dam
- Continue to fund future Capital Improvement Projects to replace fund balance used (\$20,000 -\$50,000 per year)

Potential Action Items/Observations:

- Receive direction from the Town Board on continued economic development efforts
- Receive direction on efforts to become more business friendly
- Consider process to investigate cooperative efforts with other local governments to increase productivity, efficiency, employee benefits, etc. (Future shared Fire Station with City of Concord)
- Annexations? (water & sewer extension request require annexation)
- Minimum housing / code enforcement
- Water Issues
- Sewer issues

Brainstorming

What should be done to address the most important issues, needs, and opportunities facing the Town of Mt. Pleasant over the short term and the next 5-10 years?

Comprehensive plan will give future direction on land use, growth, etc.

Capital Improvement Plan

- ✓ *Need to contract with a grant writer(s) to assist the Town with many grant opportunities for both general fund needs and water & sewer needs.*
- ✓ *Recreational facilities / parks*
- ✓ *Parking lots (future parking needs)*
- ✓ *Downtown infrastructure improvements*
- ✓ *Recommend we contract with Benchmark for CIP*

Discussion and Direction to Staff

- Balanced budget without use of fund balance
- Continue to designate funds for CIP
- Fire Station up-fit / sub station study
- Parks and Recreation projects
- Public works projects / process changes (if any??)
- Water issues
- Sewer issues
- Events (more, less, on target??)

Discussion and Direction to Staff

- Primary guidance needed from this workshop-
- Revenue Neutral FY 18/19 (tax rate \$.5050)
- Direct Funds toward CIP?
- Branding efforts
- Water projects
- Sewer projects
- Recreational projects
- Parking lots
- Economic development efforts

ADMIN RECOMMENDATIONS/REQUESTS

(General Fund)

•Currently, there is \$40,000 in the General Fund that was set aside for one-time expenditures, which will be available in FY 18-19. We will also have an estimated \$10,000 in additional revenue. (\$40,000 + \$10,000= \$50,000)

We recommend allocating as follows:

Public works	\$ 6,000	Snow Plow
Public Works	\$ 1,000	Small bucket for mini excavator
Admin Expenses	\$20,000	(for additional 1% increase in 401K & 2.5% COLA)***
Admin Expenses	\$10,000	to update Town's Code of Ordinances
Admin Expenses	\$ 8,000	for development of new Capital Improvement Plan
Planning	\$ 5,000	(adding additional code enforcement)
TOTAL	\$50,000	

•Requesting \$10,000 for Law Enforcement Vehicle Replacement (currently have \$36,511)
Continue setting aside \$10,000 for future years.

RECOMMENDATIONS/REQUESTS

CONTINUED

(Water & Sewer Fund)

- Requesting replacing pumps at raw water intake. \$20,000
- Requesting repairing pumps at water treatment plant. \$20,000
- Long Term project of (1) pump around and all pump stations be upgraded with flanges, \$10,000 per year for 6 years.
- Replenish Water & Sewer Fund Balance at \$40,000 per year for 8 years. (Total Water & Sewer Fund Balance used FY 17/18 = \$327,000)

Where do we go from here?

- Staff will formulate a draft budget as a result of today's discussions
- Board will review what's proposed
- April- budget drafting
- May- budget workshops
- June- budget hearing and adoption
- Closing remarks from Mayor, Board and Staff

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Have a Pleasant Weekend!