

TOWN OF BROADWAY
BOARD OF COMMISSIONERS
BUDGET WORK SESSION

May 11, 2021

The Town Board met to discuss the proposed annual operating budget for fiscal year 2021-2022. Board members present were Mayor Donald Andrews, Commissioners Tommy Beal, Lynne Green, Janet Harrington, Teresa Kelly and Jim Paschal. Also, Town Manager Eddie Thomas and Town Clerk Laura Duval were present. The meeting was called to order by Mayor Andrews.

American Rescue Plan:

The funds can be used to replace lost revenue. Some of the money can be used to replace lost revenue from lack of community building rentals and no late fee assessments during the governor's executive orders pertaining to COVID. The plan is still vague regarding water and sewer infrastructure. However, if allowed, most of the funds will be used towards this area. Mayor Andrews suggested the Town Board visit the WWTP to see how basic the operation is. The ORC operates out of an old storage shed with attached shelters. The sides of the shed are falling in. If the money can be used for such updates, a nicer office with storage space and better shelters can be built. Another need is the purchase of a front end loader. Currently, the sludge is removed by hand with shovels. A front end loader would help decrease the manpower and the time it takes to waste sludge, making the process more efficient. When further clarification is obtained, resurfacing the old town hall parking lot may be done with some of the funds. The Town will receive \$380,000, based on population with the stipulation the amount cannot exceed 75% of the 2020 budget. That is not an issue with the amount designated to the Town. The money will come from the state. We should receive the first half in late June, and the other half next year. It must be spent by December 31, 2024.

The Mayor and Town Manager will continue to monitor the ARP information received and share it as it becomes available.

2021 Election:

Per folks in Raleigh and attorneys, the 2021 municipal election must be held unless the General Assembly intervenes. The cost of the Broadway election depends upon what the City does. The worst case scenario is an election cost of \$13,440. The ARP funds may possibly be used to cover the excess amount.

Watson Lake Dam Project:

The Town is entering Phase 4 of the project. Hazen and Sawyer are working on missing data from the topographical survey with the surveyor. Once that is completed, they will do a design analysis, a design plan, and present projected costs. Hazen and Sawyer recommended we budget \$50,000 for Phase 4. The Town Board agreed to take that money from Fund Balance. According to the dam division of DEQ, they will be satisfied with documentation showing the project is moving forward.

Buildings and Facilities:

The ends of the former tiny tots building and maintenance shop need to be repaired. The wood needs to be torn out and replaced with plywood and wrapped in vinyl. The community building has the same problem, and we hope to have it repaired, as well. The shelter there needs new shingles. The Town Manager is in the process of getting quotes for this work.

Trash & Recycling Program:

Town Manager Thomas distributed and reviewed a rate increase proposal. He is recommending an increase in the sanitation fee to cover the cost of the GFL increase. The rate will go from \$14.70 to \$15.60 per month. No money is made on trash pickup. It is just a pass through line item. There is a shortfall of \$1,000 this year due to the increase of bulk trash pickup and disposal. There is no longer a market for recycling. The increase covers GFL sorting through it.

Cemetery:

Mr. Thomas proposed an increase in the cost of cemetery plots for out-of-town residents from \$1,300 to \$1,500 per plot. In-town residents pay \$650 per plot. Buffalo Cemetery charges a flat \$1,500 per plot. Broadway Cemetery looks good and is very nicely maintained. It is one of the most well-kept cemeteries in Lee County.

In the fall of 2019 TJCOG interns began work on digitizing the cemetery. They had to stop going in to the office due to COVID, so the project was not completed. TJCOG staff hope to resume working in the office in June. They may resume work on the cemetery at that time.

The next section I of the cemetery needs to be sod. Approximately 30 plots have already been purchased in Section H.

Streets:

Resurfacing West Harrington Avenue was bid out. Two bids were received. ST Wooten bid \$77,600 and was the low bidder. RLT & Associates was the other bidder. ST Wooten did the work on Crystal and Colonial Drives. They hope to have West Harrington resurfaced by June 30.

Prince Street off of Vernon Street has a drainage issue. The pipe under the street is currently 10" and cannot handle all the water that comes across the property. A larger pipe needs to be installed, and we are working with the engineer to get a resolution. This issue may be taken care of in the 2021-2022 budget year.

Fiddler and Cats Drives need to be resurfaced next.

Trees need to be removed on Third Street, Forest, Hickory and Oakland Avenues. Roots have been cut out and patches paved on Edgewater and Smith Drives, and Milton Avenue.

The drainage issue on Johnson Street should be resolved by June 30. Laurel Cameron plans to put in rip rap rock and clean up the ditch bank at an estimated cost of \$10,000. The rock alone costs \$7,000. If a pipe was run along the ditch, it would cost \$100,000. The rip rack rock and clean up should correct the drainage problem.

For the downtown sidewalk project we are waiting for Withers-Ravenel to tell us the easements we need to attain. There are six parcels that will require easements for placing the sidewalk around utility poles.

The R-3830 road widening project goes out to bid in April 2022.

Some street signs are being replaced. One speed limit sign was stolen from Dalrymple Road. The faded speed limit sign needs to be replaced coming into Town from Broadway Road.

Parks:

The NCVN monument crew is still waiting for the bricks to come in from Lee Brick & Tile.

Friends of the Park continue to meet and work on things at the Town Park. Two picnic tables were placed at the park, one was replaced at the NCVN, and another was replaced at the Community Building. A dog waste station has been purchased for installation near the walking trail.

Trees have been cleared up around the lake and West Lake Drive. Trees will also be picked up off East Lake Drive.

Mayor Andrews has received no response from the McNeill heirs about the welcome sign.

Commissioner Green asked if there is a regular maintenance program for the granite, plaques, and brick. The Mayor advised maintenance is done on an as needed basis. After the brick is pressure washed, the letters quickly fill up with dirt. The granite company told the Mayor the floor lettering is not practical to clean. The NCVM committee plans to regold leaf panels on the front at a cost of \$5,200. There has not been a promotion on the NCVM recently. Focus has shifted to the construction of the monument. When an event is held at the memorial, it typically generates more orders for names on the wall. There is an online form for purchasing a plaque, and forms can also be obtained at the Town Hall.

The NCVM, Inc is being audited by the state this week.

Police Department:

The Crown Vic will be replaced this year. A lease payment has been budgeted for a patrol car. Commissioner Paschal asked about the patrol car rotation. The Chief will get the new car and pass his down. Todd's old car will be marked.

Body cams are not that expensive, but the software is. The Town Manager and Police Chief plan to view a presentation on body cameras and costs incurred. A bill may be passed in the General Assembly mandating body cameras. If so, hopefully, grants will be available to help with that.

Public Works:

Hopefully, we'll get the results back from the feasibility studies next year. TJCOG mapped the water and sewer lines, but some corrections need to be made. The Town Manager and Public Works Director plan to meet with TJCOG interns in June to discuss needed corrections. Once the maps are finished, Don K will put them on the county GIS.

Last year the height of some of the fire hydrants were in violation per the State Fire Marshall's inspection. Some of the hydrants have been raised to the proper height by digging out and clearing around them, and we are continuing to work on getting them in compliance.

Code Enforcement:

\$10,000 is budgeted for code enforcement assistance on minimum housing standards violations.

Town Website:

The Mayor is working with Amy Gordon to update the Town website as needed. Some of the older things items need to be replaced.

Community Projects:

The Town would like to have a prescription take back day when COVID restrictions are lifted. It may be feasible to have it within a few months.

The time capsule couldn't be opened last year due to COVID. Now the capsule is 51 years old. An event could be held for half a day near October 17 with food trucks and entertainment.

The Lions Club will host the Christmas Parade on December 11.

BOW Festival falls on April 16, 2022. Interest has been shown from the community. More volunteers are needed. Mayor Andrews asked the commissioners to think about hosting another festival.

The Mayor has received no response about installing Christmas lights on the water tank. He will continue to follow leads as he gets them. The Town Manager contacted PR Faulk, and they are not interested in this project, but they will put feelers out to others.

Fiscal 2021/2022 Budget

Town Manager Thomas presented the proposed budget for fiscal year 2021-2022.

General Fund Expenditures:

Differences in line items are recorded. All other line items remained the same as prior budget year.

Governing Body – In the commissioners' line item there is a 29.7% decrease. This decrease is due to the purchase of the iPads. The iPads also affect FICA. The Town is required to have an election in the fall. If the City doesn't hold an election, the Town is responsible for the entire cost. The worst case scenario has been included in the budget. Travel was added back in the budget for \$250. Miscellaneous was increased \$50.

Administration – The Town Manager line item includes a 3.1% COLA. The service bonus is paid to employees based on \$20 per year of service. \$3,880 is the total for all eligible employees. Advertising was increased \$200. It covers

required postings in the Sanford Herald. There is a small increase in Contracted Services because Harris increased their software support. There is a 5.2% increase in Insurance & Bonds across departments. Miscellaneous was increased \$50.

Finance – The Town Manager advised the commissioners that 50% of the clerk's salary will be budgeted in Water & Sewer Fund. The salary line item includes Barbara's and Laura's salaries. The additional salary split resulted in decreases in FICA, Group Insurance, and Retirement, also. Professional Services includes the cost of the auditor's contract, interlocal agreements with the City of Sanford, and website maintenance and is budgeted at 16,500. Tax Collector Fees are based on 1.5% of taxes collected by Lee County for the Town. Mayor Pro Tem Beal suggested an increase for the attorney. It was discussed and the Town Board agreed to increase Attorney Fees by \$1,200.

Maintenance & Public Buildings – Salaries include salary for Tony, 50% of Jacob's salary, 1,000 hours for Tommy, and 400 hours for Howard. The other 50% of Jacob's salary has been put in Water & Sewer Fund because he is doing some things on his own. He's taken his classes and is scheduled for his exams so that he can obtain his first certification. Community Building Maintenance is budgeted at \$11,650. The \$4,650 increase covers the extra cleaning and vinyl repairs. Buildings Maintenance & Repairs is increased \$4,000 to cover vinyl repairs to wood parts on tiny tots building and maintenance shop.

Police – CARES Funding and Rich's retirement skewed the salaries. There is a 10.4% decrease. Last year the Separation Allowance was budgeted at six months for Rich. In 2021-2022 twelve months is budgeted for Rich and six months is budgeted for Todd since he plans to retire. For the next 10 years, \$28,078 will be budgeted for Separation Allowance to cover Rich and Todd. They will receive this allowance until they're 62 or work in law enforcement again. The prospective new hire is moving along. She has qualified and is eager to get to work. The Chief is ready to send her paperwork to Criminal Standards. She plans to be here this afternoon to ride with the officer on duty. Her name is Allegra Hogan. This is her first position as a law enforcement officer. She is really, really eager and appears to be a very nice lady. Allegra is very motivated and likes the Broadway area. When asked about her intentions, she committed to two years if given the opportunity. Tonight is Mark's last night. He worked with us as much as possible to get us through the transition. In the fall we will begin the hiring process for a new Chief.

Town Manager Thomas split Auto Supplies – Fuel and Maint. Repairs – Auto in order to track repairs. This year there were many repairs to the patrol cars, and he wants to track those better. Hopefully, with the purchase of a new patrol car, the repairs will slow down. \$8,000 and \$6,000 are budgeted in those two line items. Departmental Supplies was increased \$500 to cover supplies needed. Lease Payments – Capital is budgeted at \$10,165 for the new Dodge Charger.

\$3,000 is budgeted for Capital Outlay to put the lights and equipment on the new vehicle, so that cost won't be included with the interest on the car lease. Mayor Pro Tem Beal asked about the fuel budget. The Town Manager did an analysis and feels enough is budgeted for increased fuel prices.

Special Appropriations – Streets Expenditures – Other covers street signs and small expenses. Streets, Contracted Powell is budgeted at \$10,000 for small projects. Streets, Powell Capital Outlay is budgeted at \$25,000 for larger Powell Fund projects. Street, Utilities was increased to \$22,500 to cover the additional downtown streetlights with increased lumens. Waste Management Fees (GFL) was increased to \$114,500. Tipping fees was increased to \$7,500 due to the increase in brush pickup. \$10,000 is budgeted for Code Enforcement to assist with minimum housing standards. Parks & Rec is budgeted at \$7,443, which is a decrease of 73.4% since the walking trail has been paved. The Watson Lake Dam Project is budgeted at \$50,000 for Hazen and Sawyer.

Commissioner Paschal asked about installing a light to shine overnight on the US flag at the cemetery. The Mayor offered to check on the cost of running electricity to the flagpole.

Debt Service – The Town Hall payment is set at \$25,945. There will be 37 more payments.

After making proposed changes, the total budgeted amount for General Fund Expenditures is \$1,081,975.

General Fund Revenue:

Property taxes are budgeted for \$486,375. This number is obtained from the county tax office based on the current tax rate of \$.49 cents. The tax base is \$99 million. The Town has a 98.45% collection rate, which is very good. The state provides the numbers for all other taxes. Local Option Sales Tax is budgeted at \$180,000. \$1,000 is budgeted for Solid Waste Disposal Tax. Powell Bill Allocations are budgeted at \$34,937. \$5,466 is budgeted for Beverage Tax, and \$55,000 is budgeted for Utility Franchise Tax. Sanitation fees are increased to \$117,450, which reflects the extra recycling costs. For citizens the sanitation fee will increase from \$14.70 to \$15.60 per month. Cemetery lot sales have increased to \$15,800. \$1,500 will be charged to out-of-town residents. Interest Income went down to \$2,500. Interest is almost non-existent now. Community Building Rent is increased to \$14,500. We will begin renting the building July 1, and we've already had a lot of interest shown. We explain to those renting that the increase is necessary due to the sanitizing, and the explanation has been accepted. Sale of Capital Assets is budgeted at a guesstimate of \$500 for the Crown Vic. It is possible that someone will purchase it at a higher price. The \$10,000 Reimbursement from Water/Sewer Fund is the result of the lift station purchased at Underwood.

There is no change in the interlocal agreements budgeted at \$90,000.

Total General Fund Revenue is budgeted at \$1,081,975.

Water & Sewer Fund Expenditures:

Salaries are made up of the Public Work Director's salary, 50% of the Clerk's salary, and 50% of Jacob's salary. Benefits, FICA and retirement reflect the same.

\$75,235 is budgeted for Contract Services. This amount varies and is used for water & sewer taps and service line repairs.

Electricity is increased to \$24,000. This amount covers electricity for the WWTP and four lift stations.

Total Water & Sewer Fund Expenditures is budgeted at \$433,150.

Mayor Andrews led the discussion on water and sewer rates. The last time rates were raised was in 2014. Prior to that, rates were raised in 2008. Costs are increasing not decreasing. Town Manager Thomas distributed a water and sewer rate breakdown sheet. It showed the differences in a 5%, 7.5% and 10% increase. A 5% increase may cover three water breaks. All other water systems increase rates annually. The minimum charge in the County is \$31.59 before any water is used. Example: 4,000 gallons used at a 5% increase would cost \$1.78 more a month, 7.5% increase would cost \$2.67 more a month, and a 10% increase would cost \$3.56 more a month. After much discussion, the Town Board agreed to raise rates 10%.

Water & Sewer Fund Revenue:

There is a slight increase budgeted in Water & Sewer Revenue at \$395,775.

Water and Sewer Tap line items have decreased considerably since raising the rates in prior fiscal year. They are budgeted at \$9,000 and \$3,000 respectively.

Total Water & Sewer Fund Revenue is \$433,150.

The 2021-2022 total budget for General Fund and Water & Sewer Fund is \$1,515,125.

The Town Board agreed the current tax rate of \$.49 per \$100 valuation is required for the upcoming budget year.

Mayor Andrews requested a closed session to discuss personnel matters. Mayor Pro Tem Beal made the motion to go into closed session. The motion was seconded by Commissioner Paschal. Motion carried unanimously.

With no further business to come before the Town Board, Mayor Pro Tem Beal made the motion to adjourn the budget work session. The motion was seconded by Commissioner Paschal. Motion carried unanimously to adjourn.

Donald F. Andrews
Mayor

Laura K Duval
Town Clerk