



**MINUTES
TOWN OF STOKESDALE
SPECIAL CALLED TOWN COUNCIL MEETING
BUDGET WORKSHOP
8325 ANGEL PARDUE ROAD
STOKESDALE, NC 27357
MARCH 3, 2022 AT 7:00 PM**

Member's present were: Mayor Mike Crawford, Mayor Pro-Tem Derek Foy, Council Members: Jimmy Landreth, Tim Jones, and Jim Rigsbee, Finance and Budget Officer Kim Thacker, Interim Town Clerk Dale Martin, Deputy Clerk Robin Yount.

1. Call To Order and Invocation.

Mayor Mike Crawford called the meeting to order.

2. Pledge of Allegiance

Mayor Crawford led the Pledge of Allegiance.

3. Citizen Comments

None presented.

Councilman Jones asked the Town Clerk if the meeting had been properly noticed. The Clerk stated that it has been properly noticed. Councilman Jones noted that no one was present.

4. Discussion and vote to decide format of Town of Stokesdale Town Council Budget Workshop meetings

Councilman Jones stated that having attended budget workshop meetings in the past he was concerned with trying to avoid a meeting that the Town Attorney would have to attend and pay staff to keep minutes on the discussion. He questioned the appropriateness of having a public comment period at these workshops meetings as well. He understood the protocol for different types of meetings but suggested these workshops be less formal.

Councilman Jimmy Landreth stated that he is in favor of having a citizen comments period, that they can be limited to the 3-minute time period. He stated that we have had citizens in the past suggest to Council how to spend the money. He welcomed the input.

Councilman Jim Rigsbee agreed with Councilman Landreth and stated that he wants to hear from the citizens as well and would agree with limiting their comments to 3 minutes.

Councilman Landreth agreed that the Town Attorney was not needed at these meetings but welcomed citizens comments. He suggested the minutes not be detailed minutes.

Councilman Jones stated that during these budget workshops in the past, Council throws numbers around and no votes were taken on items until the budget was presented and passed. He wanted to make sure we are clear in what we tell the citizens. If we are going to vote on items, then they need to know that. He stated that when the budget is presented, if he doesn't agree with an item in the budget, then he must make a decision on whether to vote for the budget or not.

Councilman Landreth stated that if there is a line item up in the air, we can always take a vote on it.

Mayor Pro Tem Foy stated that under the NCGS, this is a special called meeting. Councilman Jones stated that he wanted to make sure that we are clear with our citizens. If we tell them this is a workshop, and we are simply discussing the budget, but then come in here and vote on things when the citizens were not expecting us to vote on items.

Mayor Pro Tem Foy stated that a vote may be necessary to give direction to Mrs. Thacker. He commended last year's process that he believed was well laid out with good discussion. He stated that a number of Town expenses are fixed with only a handful being up to Council's discretion. He stated that the ultimate vote will be in June. He stated that last year was a success and we have a good template to work with this year.

Councilman Jones made a **Motion** that these meetings be called special budget workshop meetings and that they be segregated from other special called meetings.

Councilman Jones explained that if we put "budget workshop" in there the citizens will know what's going on.

Councilman Landreth seconded that motion and asked that it be amended to include citizen comments.

Councilman stated that he wanted to make another motion to include the other things that we have discussed.

Vote in Favor – Councilman Rigsbee-yes, Mayor Pro Tem Foy-aye, Councilman Landreth-aye, Councilman Jones-aye and Mayor Crawford-aye. Motion carried.

Councilman Jones made a **Motion** that during these special called budget workshop meetings, Council be allowed to vote on budget items and minutes will be kept and unless some special need comes up, we will not ask the Town Attorney to attend to save cost and we will have two (2) public comment periods 3–5-minute time limit for each meeting.

Mayor Pro Tem Foy seconded the motion.

Vote in Favor – Councilman Rigsbee-yes, Mayor Pro Tem Foy-aye, Councilman Landreth-aye, Councilman Jones-aye and Mayor Crawford-aye. Motion carried.

5. Discussion on 2022-2023 Annual Budget.

Mayor Crawford deferred the discussion to Finance and Budget Officer Kim Thacker.

Mayor Pro Tem Foy stated that he has requested Mrs. Thacker include FY 2021 actuals, and year to date totals on her worksheets.

Mr. Thacker referred to the General Fund worksheets. She noted the total income of \$443,000.00 which includes the Small-Town Development Grant (\$50,000) and to offset that she put these funds in Park Investments and the Council will need to decide what to do with those funds. She explained the split allocation process between the general fund and water fund, 47% for general fund and 53% for the water fund. She noted that she spoke with the Auditor and UNC School of Government about the legality of a split allocation. Councilman Jones stated that he understands split allocation and asked for a list of those items being allocated between the departments. Councilman Jones presented some history of how line items were split in the past. Mayor Pro Tem Foy noted the last two pages of the proposed budget has a list of items being allocated. Mrs. Thacker reported that in her monthly reports she provides a list of the expenses that are allocated. She stated that she would be happy to provide a general list.

Council Jones asked about the chart of accounts and referred to titles provided by the State. It was noted that some line-item titles were changed and grouped together to be more manageable. Mrs. Thacker stated these are titles we have developed internally.

Mayor Pro Tem Foy mentioned Town revenues and stated most seem to be reasonable but was leery of our state collected utilities revenues which has been flat for 10-15 years.

Councilman Jones stated that in the past it has helped him to have a three-to-five-year history of each line item with budget vs actual amounts.

Mayor Pro Tem Foy stated that this may be a reasonable request for some line items, but some may be more difficult. If the names stay the same, it's easy to build a history. It was noted that the current list of line items has been used for the past two years.

A brief discussion was held on the difficulty of obtaining past financial records and questioned the accuracy of those records. Having more detailed reports and merging the old with the new information was supported; however, it was noted that it would take a little time to pull those together.

Mayor Pro Tem Foy made a **Motion** by next budget workshops meeting in April, Mrs. Thacker add a column FY 2020 actuals line item in addition to that for the 2021 for both water fund and general fund. Councilman Jones seconded the motion.

(No vote taken)

The Council discussed the difficulty in this task. Councilman Rigsbee expressed his concern that it's not going to be exact because of the merging of line items. Mayor Pro Tem Foy agreed and recommended using the actual Audit report to pull this information together.

Councilman Landreth referred to comments made about details and reminded council that there will be an item on the agenda to get a computer that will be set up as "read only" so what we can have access to all this information. Mrs. Thacker stated that two links were provided to Councilman Jones to give him access to these records. Mrs. Thacker stated that providing additional details would be no problem and she would send links to Councilman Landreth as well so that he can view details in Quickbooks.

Councilman Jones stated that it is our job to watch how the money is spent and noted the increased budget. He noted that the monthly reports were detailed, and we could keep an eye on these categories and see the changes. Mrs. Thacker stated that she would like to see something available to Council that is more detailed and has supported making invoices available in read only format. She pointed out the housekeeping and office supply account that should have details behind it so you can see where the money is being spent.

Councilman Jones asked about a line item for water line markings and questioned the amount spent in that line item. He asked if that cost may be included in their general invoices for Yates. Mrs. Thacker speculated that those costs were included in contract operations. Council discussed what expenses were include in that line item and the difference in water line markings and 811 calls. Councilman Jones explained the 811 process and remembered it being a \$3500 expense. Yates was giving us a good deal to locate these lines.

Council continued to discuss individual line items. It was noted that a list of our top vendors would be helpful to Council to determine where the Town's money is being spent.

Mayor Pro Tem Foy made an **Amendment** to his **Motion** to also export out expenditure's year to date into 1 document by vendor and share with Council in excel format and sort from highest to lowest. Councilman Jones seconded the motion.

Vote in Favor – Councilman Rigsbee-yes, Mayor Pro Tem Foy-aye, Councilman Landreth-aye, Councilman Jones-aye and Mayor Crawford-aye. Motion carried.

Mayor Pro Tem Foy asked Mrs. Thacker to go over general fund expenses. Council discussed various expense line items. Mayor Pro Tem Foy noted the Small-Town Development Grant contains a list of permitted uses which would likely go to the park or community events.

Council discussed the public hearing processes and the fees collected. The cost of advertising, attorney time are no where near the actual cost incurred. It was suggested that these fees be reviewed and adjusted to the cost actually incurred by the town.

Councilman Jones asked about items included in building maintenance. It was pointed out that the expenses were for replacing an HVAC unit at town hall, wiring and cameras for the Council Chambers which was funded by a Covid Grant the Town received.

Mrs. Thacker highlighted administrative expenses.

Mayor Pro Tem Foy asked about Fire Inspection Fees. Councilman Jones stated that there used to be a master contract with Guilford County for inspections, animal control and all services provided by Guilford County. The Town Clerk stated that she is pulling and grouping all the files labeled with Guilford County together but has not looked through any of the files to determine what is included.

Mayor Pro Tem Foy asked for a vote to increase money in the events category to \$10,000. He stated that the parade usually cost between \$4,000 \$5,000 a year and the extra would be for additional expenses that might be incurred.

Mayor Pro Tem Foy made a **Motion** to budget \$10,000 in Events Fund/Community line item. Councilman Jones asked to split the difference and **amend** it to **\$7,500**. Mayor Pro Tem Foy accepted the amendment. Mayor Crawford seconded the motion.

Vote in Favor – Councilman Rigsbee-yes, Mayor Pro Tem Foy-aye, Councilman Landreth-aye, Councilman Jones-aye and Mayor Crawford-aye. Motion carried.

Mayor Pro Tem Foy stated that we do need to balance the budget and after a brief discussion it was the consensus of Council to increase building maintenance and repairs.

Mrs. Thacker then highlighted each line item in the Water Fund.

There was a brief discussion on the process for back flow preventers and fees paid to the Town and Guilford County. Decrease that line item to \$1,500.

Mayor Pro Tem Foy noted that the water capacity fees, the NC General Statutes calls them system development fees and the law changed in 2017 or 2018 and required any funds collected there had to go into a capital improvement fund. That has been done and there is a direct cash outlay account set up. There are some permitted uses allowed for these funds and those funds are to be transferred back into the water fund for disbursement which is included in another line item.

The Council discussed projections on the growth in water sales for next year. It was noted that tap and connection fees might be low and could be reasonably increased.

Council discussed Contract Operations and noted that this included Gary Matchunis certification fees and Yates contract. Mayor Pro Tem Foy did not like the verbiage however, it's the way it has been in the past.

Mayor Pro Tem Foy referred to the Engineering and Infrastructure Consulting line item and noted expenses for capital improvement expenses and mapping provided by Hazen & Sawyer. He stated that the Town needs some engineering support.

Councilman Jones agreed and stated that he understands the Town is not inspecting the new subdivision installation of the water lines. He added that this used to be done but seemed to have

stopped in 2017-2018 time frame. Council discussed Gene Robertson's role in this process and the difficult situation he is being placed in to inspect these subdivisions. He is the only eyes on the ground for the Town. It was suggested that we start these inspections again and should be discussed at another meeting where we work out details for a process to be put into place. It was noted that there may not be a general statute that requires the town to do inspections however, it's in the best interest of the Town to make sure everything is done properly and in accordance with the Town water specifications. Councilman Jones guessed we might need to budget \$1500 to \$2000 per phase for these inspections. Councilman Landreth asked if this is a cost that we should pass along. Mayor Pro Tem Foy stated that he would like to study the cost of our water system and how inflation is impacting it. He noted the other costs that have increased: Yates fees, meter costs, etc.

Councilman Jones suggested we add these inspection fees to our Schedule of Fees and Charges and come up with a fee schedule for this type of inspections.

Council discussed the postage machine that was leased several years ago but has since been returned. Mrs. Thacker stated that she needed to look at this closer and discuss with our Auditor to determine what we should budget here.

The Council discussed the Fee Schedule and the need to include all fees charged by the Town for all our services, inspections and so forth.

Mrs. Thacker noted the water capital expenses, the transfer of capital reserve fund that was mentioned earlier and it was noted that these funds have to be transferred out to be expended. This was researched in the new account line item created last year.

Council then discussed the meter change outs budgeted and meters for new construction. It was questioned whether or not these two items should be consolidated into one account. Price paid for meters was discussed. It was asked how far along the Town is in changing out the old meters with the new electronic meters. It was estimated that not that many were changed out last year.

Mayor Pro Tem Foy made a **Motion** that we consolidate accounts 16001 electronic water meters and 16002 electronic water meter new construction and retitle that electronic water meters.

Councilman Rigsbee asked if the new meter cost is not directly correlated with construction and recommended that we not separate the two accounts.

Mayor Pro Tem Foy withdrew his motion. He then stated that he felt \$45,000 was too much.

Council then discussed the life expectancy of meters and the Town's responsibility to replace them when they break or fail. It was asked if the Town should be proactive in getting some of these old meters replaced. It was noted that in the past, the Town had a low failure rate on our meters, and that they cannot be reused. Council discussed the need to replace those meters where safety is a concern. It was noted that Yates has replaced some of those meters that were identified for safety concerns but there is a supply chain issue and some are on back order.

Various amounts were discussed and by consensus the Council recommended that we leave it budgeted at \$45,000 and keep the accounts the same.

Mayor Pro Tem Foy stated we still have a surplus. Council discussed increasing the cost of water purchased and lower back flow preventer fees. They discussed contract operation fees and it was recommended that we increase that amount of \$110,000.

Mayor Pro Tem Foy made a **Motion** that we increase Contract Operations line item from \$100,000 to \$110,000 for next budget year. Councilman Rigsbee seconded the motion.
Vote in Favor – Councilman Rigsbee-yes, Mayor Pro Tem Foy-aye, Councilman Landreth-aye, Councilman Jones-aye and Mayor Crawford-aye. Motion carried.

Mayor Pro Tem Foy then recommended we examine engineering, consulting, water meter installation/general repair to see if some of that is going into contract operations. He stated that Councilman Jones is going to look into things that we may be behind on.

6. Citizen Comments

Mayor Pro Tem Foy thanked staff for the work preparing the draft budget.

Councilman Landreth wished Mayor Crawford a Happy Birthday.

Councilman Jones also wished the Mayor a Happy Birthday and thanked staff for their work putting this together. He thanked everyone for their patience.


7. Adjournment.

Councilman Jimmy Landreth made a **Motion** to adjourn the meeting. Councilman Rigsbee seconded the motion.

Vote in Favor – Councilman Rigsbee-yes, Mayor Pro Tem Foy-aye, Councilman Landreth-aye, Councilman Jones-aye and Mayor Crawford-aye. Motion carried.

Being no further business to come before Council, the meeting was adjourned at 9:29 pm.

Approved: April 14, 2022



Michael E. Crawford, Mayor

ATTEST:



Dale F. Martin, Town Clerk