

THE ERWIN BOARD OF COMMISSIONERS
BUDGET WORKSHOP
TUESDAY, JUNE 11th, 2024 @ 9 A.M.
ERWIN MUNICIPAL BUILDING BOARD ROOM

AGENDA

- 1. MEETING CALLED TO ORDER**
 - a. INVOCATION**
 - b. PLEDGE OF ALLEGIANCE**

- 2. APPROVAL OF AGENDA**

- 3. DISCUSSION OF PROPOSED FY 2024-2025 BUDGET**

- 4. CLOSED SESSION**
 - A. Pursuant to General Statute 143-318.11(a) (6) for the Purpose of Discussing Personnel**

- 5. ADJOURNMENT**

ERWIN BOARD OF COMMISSIONERS

SPECIAL CALLED MINUTES

JUNE 11th, 2024

ERWIN, NORTH CAROLINA

The Board of Commissioners for the Town of Erwin with Mayor Baker presiding held a Special Called Meeting in the Erwin Municipal Building Board Room on Tuesday, June 11th, 2024, at 9:00 A.M. in Erwin, North Carolina.

Board Members present were Mayor Randy Baker, Mayor Pro Tem Ricky Blackmon, and Commissioners Timothy Marbell, Charles Byrd, David Nelson, Billy Turnage, and Alvester McKoy.

Town Manager Snow Bowden, Deputy Town Clerk Katelan Blount, and Town Planner Dylan Eure were present.

Mayor Baker called the meeting to order at 9:00 A.M.

Commissioner Byrd gave the invocation.

Commissioner Turnage led the Pledge of Allegiance.

APPROVAL OF AGENDA

Commissioner Byrd made a motion to approve the agenda as presented and was seconded by Commissioner Turnage. **The Board voted unanimously.**

DISCUSSION OF FY 2024-2025 BUDGET

Mayor Baker thanked everyone for attending the meeting. He stated that there had been a couple of submittals of proposed budgets, and now we have a current proposed budget. He asked Town Manager Snow Bowden to recap the current proposed budget.

Town Manager Snow Bowden gave the following key points:

- Budget is balanced with expected revenues of \$4.4m and expected expenditures of \$4.4m.
- The proposed budget includes a 5% cost of living allowance (COLA) for all Town Staff.
- The transfer of the last of the ARPA funds, in the amount of about \$19,000, is allocated to update the wayfinding signs. The amount of about \$30,000 is allocated for the ADA transition plan. About \$10,000 is allocated for the equipment for the new community building. Due to the number of grants we have this year, there are also funds allocated to help offset the increased cost of the audit fees. There is also \$12,000 allocated for new guns for the Police Department.

Commissioner McKoy joined the meeting at 9:03.

Mayor Baker opened the floor for discussion among the board.

MINUTES CONTINUED FROM JUNE 11, 2024

Commissioner Blackmon stated that last year it was discussed to do a wage study for employees. He understands that giving COLA is good, but that we don't know what to give if we don't know where we are in line with other municipalities. He would really like to see the study done so that we can ensure we're taking care of our Town Staff.

He wants to ensure that the ARPA funds are not being used for any reoccurring expenses since we will not have those funds moving forward.

He also asked about the cell tower lease funds and where the funds are used- he'd like to see how much is set aside for community enhancement, departmental expenses, etc.

He spoke about merit increases and wanting to ensure that it is allocated in the proper line item in each department if that is something that the Town can make happen.

Commissioner Blackmon also expressed concern over the audit costs doubling and wants to see the audit services put back out for bid.

Town Manager Snow Bowden stated that it is about time for that to go back out for bid.

Commissioner Blackmon brought up the proposed sales tax funds. He said he previously thought the sales tax revenue was expected to drop, but now there is an increase.

Town Manager Snow Bowden explained that the North Carolina League of Municipalities is projecting about a 2% increase in taxes.

Commissioner Blackmon also brought up the gas tax and wanted to make sure the updated numbers were correct.

Town Manager Snow Bowden explained that he was basing this on the League projections. They are currently projecting the sales tax, franchise electricity tax, and the natural gas taxes going up, but the telecommunications sales tax and solid waste going down. Our Beer and Wine permits are a one-time annual fee. He stated that the League has been consistently fairly correct with their projections.

Commissioner Blackmon asked about the need for the condemned property line item as well as the miscellaneous contractor services and how much we've spent in the last few years on these items. He would like to see ways to generate revenue to help offset costs and be able to retain employees. He stated that the Town has some of the best employees it has had in a long time. His main concern is that it will be hard to effectively know how to retain employees until we know what employees should be making with a wage study.

Mayor Baker posed the question about employee health coverage, with active employees as well as retirees. He stated that he's concerned about the copays for specialists due to how high they have gotten.

There was discussion among the Board about options for copay reduction, assistance, etc.

Commissioner Byrd brought up the HSA option- could we require Staff to match at 5% if they opt in? It is the desire of the Board to invest in Town Staff and ensure that we're taking care of our employees.

Commissioner Blackmon stated that he would like to see the 5% COLA, then do the study and adjust as needed and possible, but that the study needs to be done.

Commissioner Byrd stated that Dunn just gave everyone a \$1500 bonus across the board, and put in a merit increase of up to 2%. The discussion was that Dunn has raised their taxes, though.

Commissioner Turnage stated that he would like to see some infrastructure improvements with some of the tax revenues. Residents feel better when they see their tax dollars doing something.

Mayor Baker stated that he understands that the Town cannot have the wage study completed before the approved budget is due. He questioned whether the Board wants to move forward with the 5% and then look at an increase later in the fiscal year after the study has been completed.

Commissioner Byrd asked if there was a 5% COLA in March of 2024.

Town Manager Snow Bowden confirmed that this was the case.

Commissioner Byrd said that between the March COLA and this proposed COLA, we're headed in the right direction. He said that we need to get the budget approved and can always do something mid-year.

Mayor Baker asked what the Board wants to do with the pay. 5%, 7%? Merit?

Commissioner Blackmon asked what the average salary for the Town is, excluding the Town Manager. He talked about how the salaries have exploded in the last few years.

Commissioner Nelson stated that our Public Works employees who have CDLs would be able to find other employment for much higher pay, especially now that the CDL requires a course.

Commissioner Blackmon stated that he thinks we will get better employee performance if the Board can show their appreciation rather than just telling them.

Commissioner Turnage spoke about the last study that was done about 10 years ago. He stated that the League was basing those salaries on the size of the Town as well.

Commissioner Blackmon stated that we can always give a little more than the 5%, but that the focus should be getting the study done.

Mayor Baker asked the Town Manager Snow Bowden what the \$92,000 from ARPA would be going.

Town Manager Snow Bowden stated that he planned on \$30,000 for wayfinding signs, \$30,000 for ADA transition plan, \$10,000 to account for the higher audit fees due to the additional grants, \$12,000 for the new guns for the police department, and \$10,000 for the upgrades to the community building. These are all one-time expenditures.

Commissioner Turnage asked what department has the highest turnover.

Town Manager Snow Bowden responded that it was the Police Department, though they are also the Town's largest department.

Mayor Baker asked if there is any additional revenue that is not shown in the budget that could go toward an increase in salaries. He stated that he understands that the ARPA funds are for one-time expenditures,

not to be used for recurring expenses. The cell tower lease revenue is earmarked for community enhancement. The Town will no longer be leasing the property next to Public Works as of the end of June. He asked if there were any line items that could be adjusted.

Town Manager Snow Bowden stated that the items that Commissioner Blackmon brought up, specifically, the condemnation line items, could be adjusted and could go toward salary and benefit increases. He said he could look at the budget and see what could be adjusted and put into a merit line item. Typically the Town does the COLA on July 1 and the merit line item on January or February 1st. We can look at cutting some of the items we haven't spent as much on recently and put that toward salaries. There is no transfer of fund balance from community enhancement funds in the budget. We could use those funds for some of the enhancement items. The only funds in this proposed budget are the operating funds the Town gets from sales tax, property tax, and state-shared taxes. This year's budget also includes the Preibe fund, as opposed to previous years. This is completely accounted for in the Recreation Department. We could use the Community Enhancement Fund to offset some of the items we're wanting to achieve and reallocate the funds in those line items to other expenses.

Mayor Baker asked if there were grants that we could tie to the Community Enhancement. That grant funding needs to be expended before we reach into our savings accounts. The demolition funds haven't previously been spent, so we can divert that, however, we have residents that are complaining about some homes that need to be torn down.

Commissioner Blackmon asked why we couldn't take the money out of the demolition line item and reallocate it elsewhere, then use the Community Enhancement funds to cover those demolition expenses. Those expenses could fall under Community Enhancement.

Mayor Baker asked if the Depot had already earmarked these funds, because we can only spend so much from that fund. If that project doesn't come to realization, we can use those funds.

The discussion of the community enhancement fund continued.

Commissioner McKoy stated that our employees are some of the most valuable assets our Town has. He stated that his wife has witnessed Public Works working hard and that they should all be rewarded for their hard work, as should all Town Staff.

Commissioner Byrd stated that his rough math with all salaries across the board, without the Town Manager salary, was \$48,000 - \$49,000. The police department salaries are really where the higher end comes from.

There was discussion about run-down homes and the need for demolition. Mayor Baker and Commissioner Turnage spoke about listening to the residents of Erwin and the concerns they have regarding the run-down homes.

Mayor Baker stated that he would like to reach a decision on the salary issues so that the Board can move forward with the additional discussion with the proposed budget. He asked how a 2% increase in salaries over the current proposed budget would affect the funding.

Town Manager Snow Bowden stated that considering retirement and benefits, it would be about \$15,000 per each percent, so about a \$30,000 change overall. He stated that he can look at shifting some items around but that he thinks he can make it work.

Commissioner Blackmon stated that he wanted to ensure that the salary study absolutely needs to be done. He is happy with the 7% but wants to make sure the Board understands exactly where the budget is with in line with other municipalities. He stated that he would like to try to not raise taxes, but it all comes down to the level of service we're willing to provide.

Commissioner Byrd asked what the Town would bring in if we added 1% tax levy.

Town Manager Snow Bowden responded that it would bring in an addition \$35,000 in revenue.

Commissioner Byrd then stated that we had the option of increasing our tax levy by 1%, which would offset the additional 2% salary increase, but would still keep the taxes lower than they were a few years ago.

Town Manager Snow Bowden confirmed that 2 years ago the Town lowered the tax rate from 51% to 48%.

The discussion continued on what an additional tax levy would look like for residents.

Mayor Baker compared the difference between the original proposed budget vs the current proposed budget. The increase of \$254,272 based on projected revenue, with a total proposed revenue budget of \$4,460,106. This is with no tax increases, and slight increases in user fees.

Town Manager Snow Bowden confirmed that there are no tax increases, and some increases in state shared quarterly taxes. The NCLM is predicting some items to go up and some to go down. Sales tax is expected to go up a fair amount. We will keep an eye on our revenues.

Mayor Baker asked about interest earned, on page 14- the proposed budget shows an increase from \$60,000 to \$120,000. He asked if this is realistic.

Town Manager Snow Bowden explained that this year it was realistic, but next year it would probably not be. This is due to interest rates jumping significantly. The tax re-eval should help balance this next year.

Mayor Baker asked if there were any other questions about revenues. No one brought forward any questions.

Mayor Baker began speaking about expenditures. There was a new addition of \$8,000 in the Commissioner's budget for contingency.

Commissioner Blackmon asked what that \$8,000 was for.

Town Manager explained that it was for unexpected expenses.

Commissioner Blackmon requested that the \$8,000 contingency line item be removed, and money placed toward the salary study.

Mayor Baker asked for the Commissioners to jump in if there were any expenditures that they had concerns about.

Commissioner Nelson asked how much sponsorship money the Park had brought in.

There was some discussion regarding this. As of April 24, 2024, they had brought in \$9625. At the time of this discussion, it was probably closer to \$10,000. It was budgeted for \$8,000.

Town Manager Snow Bowden pointed out that this was the first year that the Priebe Fund donations were built into this. The Auditors wanted to ensure that this was being operated out of the General Fund and items were approved by the Board.

Mayor Baker wanted to clarify the Animal Control services doubled.

Town Manager Snow Bowden stated that they asked for \$48,000, and they negotiated down to \$25,000.

Mayor Baker stated that they're looking with building a new facility, so in the future, the Board needs to be aware that there will be increases again in the future. The Board may be faced with the decision to either bring Animal Control back in-house, or be faced with higher costs for the contracted service through Harnett County. There was some discussion on the options.

Commissioner Byrd asked about Police Vehicles and the extra vehicles.

Town Manager Snow Bowden stated that there are 3 surplus vehicles, and 3 spare vehicles, and 13 that operate on a daily basis.

There was discussion on keeping backup vehicles and selling surplus vehicles.

Mayor Baker asked about the Flock Camera system and the annual payments.

Town Manager Snow Bowden explained that this year would be the first year of the Flock Camera System, and it would be \$25,500. There is an annual payment of \$21,000, so the Board should be aware of that.

Mayor Baker stated that there was an increase from Harnett County for the SRO, which is helpful. The Board just approved a budget amendment for the sewage washer, which was coming out of the 2023-2024 Budget. He brought up the question about the position in the Street Department.

Town Manager Snow Bowden stated that this position has been open for about 3 years, and this person would be assisting with storm water and general right of way maintenance, as well as other duties within Public Works. It would be helpful to have this person on board.

Mayor Baker stated that the Engineer's contract is being paid out of the Powell Bill, and part is being paid out of the Stormwater Fund.

Town Manager Snow Bowden confirmed that \$12,000 is being paid from Powell Bill, and \$12,000 is being paid out of the Stormwater Collection.

Mayor Baker asked what the revenue is for stormwater collection.

Town Manager Snow Bowden responded that the Town collects about \$68,000 for stormwater collection.

Mayor Baker asked what the rest of the fees go toward, if \$12,000 went toward the Engineer.

Town Manager Snow Bowden explained that the remaining funds go mostly to contracted services. Public Works can clean out ditches, but when it comes to shaping ditches, creating new ditches, etc., there are OSHA standards in place and our Public Works doesn't have the manpower, equipment, or expertise it takes to abide by those required standards.

There was discussion regarding bringing some services back in-house rather than contracting, based on the quality of services that the Town provides based on fees collected.

There was discussion among the Board regarding our Town Engineer and the services he provides. It was asked how many times a month the Town Engineer is in Town, and how many hours per month he is working for the Town. Since he is paid a flat rate, what is the protocol to ensure that the Town is getting the services that are being paid for? Commissioner Blackmon stated that he would like to see the use of services more closely monitored.

Commissioner Blackmon asked how much of the Storm Water budget was spent on the West K Street project.

Discussion continued regarding the costs associated with the West K Street project and the options for the budget going forward. The idea to close West K to limit the associated repair costs was brought up. The concern for ingress/egress and utility lines was discussed.

Mayor Baker asked the Board if they'd like to continue with the same collection of fees for Stormwater. The Board agreed that they'd like to continue with the proposed amount.

Mayor Baker stated that the Job Classification Schedule may change based on the study, once completed, but as of now the Board agrees with the current Schedule and the employees that the Town has.

Mayor Baker asked what the status of the Cadet program for the Police Department is.

Town Manager Snow Bowden stated that the program was created to assist recruitment for the vacancies at that time. This was to ensure that if we have a need for additional officers, there is something in place to cover the costs of the Academy. The Town doesn't currently have a need, but there may be in the coming months.

Commissioner Byrd asked about the budgeted and estimated costs of the replacement service weapons for the Police Department. He stated that the budgeted amount seems high, based on his calculations. He requested that Town Manager Snow Bowden verify those costs with Police Chief Jonathan Johnson.

Commissioner Byrd also asked about the age of the Police Department Tasers, and what the need for replacement is.

Town Manager Snow Bowden stated that they're fairly old and worn out, the Police Department has used them for 9 or more years.

Commissioner Byrd asked about the body cams that the Police Department utilizes, and if they're being worn.

Town Manager Snow Bowden stated that they are not working as necessary. The body cams help protect the Town Staff, and the policy in place is that they're on for each interaction. The current cameras don't seem to stay on during altercations. The new cameras are much better at staying on and recording.

Commissioner Marbell asked what happens to the old service weapons for the Police Department once we get the new service weapons.

Town Manager Snow Bowden stated that he would verify with Police Chief Jonathan Johnson, but his understanding was that the Town would trade the old weapons in to help reduce the cost of the new weapons.

Mayor Baker asked if there were any changes that the Board would like to see.

There was some comparison of the property values from the 2023-2024 Budget vs the 2024-2025 Budget. These would be from the Harnett County Tax office.

Commissioner Blackmon asked what the current tax collection to date is.

Town Manager Snow Bowden stated that he believed it was close to \$1.5 million, but that Finance Manager Linda Williams could get that information for the Board.

Finance Manager Linda Williams gave the report stating that the current ad valorem tax revenue collected to date is \$1,542,940.

Mayor Baker asked if there were any additional proposed projects. Hearing none, he reiterated that Commissioner Nelson brought up the possibility of a 7% pay increase for Town Staff rather than a 5% pay increase.

Commissioner Blackmon stated that he has no issues with the additional pay increase, but that he would really like to see the wage study done.

There was discussion regarding moving the proposed budget funds be moved from the community enhancement and wayfinding signs, the additional minimum housing funds.

Mayor Baker asked if there was any additional comments or discussion regarding the budget.

The Board made the decision to properly advertise the budget adoption for June 24th 2024 at 6pm during the Regular Workshop Meeting.

Commissioner McKoy made a motion to go into closed session, pursuant to North Carolina General Statute 143-318.11(6) for the purpose of discussing personnel. The motion was seconded by Commissioner Turnage. **The Board voted unanimously and went into Closed Session at 11:09.**

The Board reconvened from Closed Session at 12:14 P.M.

There was discussion regarding the subdivision on St. Matthews Rd, and why the project was taking so long.

Town Manager Snow Bowden spoke about the water and sewer grant being reallocated to Harnett Regional Water.

Commissioner Nelson asked about Harbor Freight choosing to go to Lillington rather than Erwin.

Mayor Baker stated that Harbor Freight is still possibly happening. The company that is building the

building is not Harbor Freight themselves. They are a company that builds empty buildings and then leases to companies such as Harbor Freight.

Mayor Baker asked the Board if there were any other concerns. Hearing none, he called for a motion to adjourn.

ADJOURNMENT

Commissioner Byrd made a motion to adjourn at 12:17 P.M. and was seconded by Commissioner Nelson. **The Board voted unanimously.**

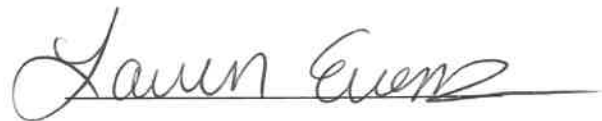
**MINUTES RECORDED AND TYPED BY
KATELAN BLOUNT DEPUTY TOWN CLERK**

ATTEST:



Randy Baker

Mayor



Lauren Evans NCCMC

Town Clerk