

MINUTES
TOWN OF PITTSBORO
BOARD OF COMMISSIONERS
BUDGET WORK SESSION
MONDAY, MAY 6, 2013
41 FAYETTEVILLE STREET
6:30 P.M.

Mayor Randolph Voller called the meeting to order and asked for a moment of silence.

ATTENDANCE

Members present: Mayor Randolph Voller, Commissioners Pamela Baldwin, Jay Farrell, Michael Fiocco, Bett Wilson Foley and Beth Turner.

Staff present: Manager Bryan Gruesbeck, Clerk Alice F. Lloyd, Attorney Paul S. Messick, Jr., Finance Officer Mandy Cartrette, Water Plant Superintendent Adam Pickett and Wastewater Plant Superintendent Randy Heard.

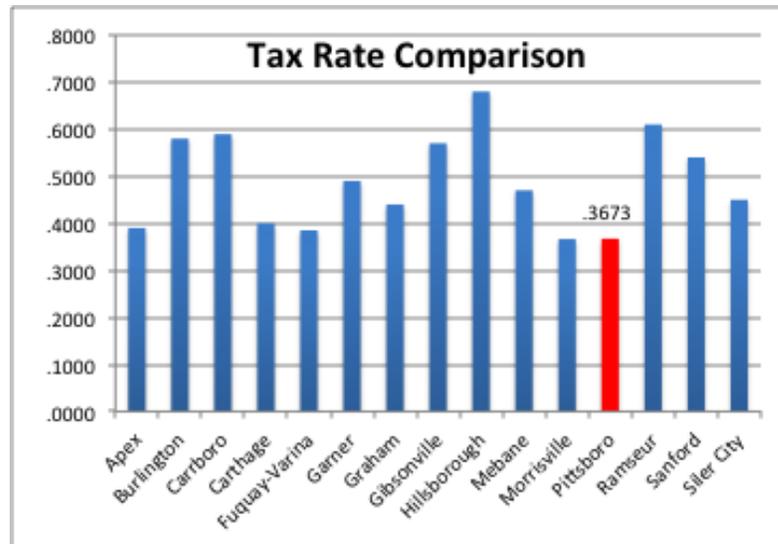
BUDGET PRESENTATION/WORKSESSION

Manager Gruesbeck went over the following:

The Manager's Initial Recommended Budget for fiscal year 2013-2014 is submitted to the Mayor and the Board of Commissioners for initial review and comments. Please note that this budget does not include the Capital Improvement Program and that should be discussed at a subsequent work session when more time allows. Highlights of the budget are outlined below.

Please be aware that this budget includes all of the expenditures that the departments have requested. Some of the departmental requests were increased significantly from last year. The Board will have the opportunity to review the department's requests and either approve them or remove them from the budget.

1. General Fund Revenues. The FY 2013-2014 tax year valuation of \$435,823,513 is up \$30,544,237 (7.5%) from the prior year valuation of \$405,279,276. The tax rate is \$0.3673 per \$100.00 assessed value as the tax rate for the Town of Pittsboro for Fiscal Year 2013-2014. This is the same rate as Fiscal Year 2012-2013. The tax rate recommended assumes a collection rate of 97.0% which is consistent with prior years. One cent will generate approximately \$43,582 in real and personal property taxes. As illustrated below, at \$0.3673, the Pittsboro tax rate still remains among the lowest in the region.



General Fund revenues are up in several other areas, as well. It is anticipated that there will be increases to sales tax revenues and a slight increase (approximately 1%) to the ad valorem property tax. Powell Bill revenues are expected to increase based on what the Town actually received for FY 2011-12. Revenues from the Governor’s Highway Safety Program Grant and the Federal COPS Program Grant will cease, as both as of those grants were completed in FY 2012-2013. The General Fund revenues also include a \$190,556 transfer from the Enterprise Fund to pay for administrative support including project management, financial management, and human resources management.

A transfer of \$210,647 from the General Fund balance will be required to balance the budget. Our overall finances can absorb this figure, but it is not sustainable for many more consecutive years.

2. General Fund Expenditures. General Fund expenditures are up \$256,132 (7.8%) above the current year original budget. This figure will rise, assuming an increase in salaries at some point in FY 2013-2014. Much of this increase can be attributed to a healthy jump in Operating budget costs – up \$157,305 (10%) as well as Capital Outlay – Equipment costs; contributing factors are discussed below:

a. Pay Adjustments. The Board of Commissioners will discuss pay increases for employees in FY 2013-2014. These have not yet been budgeted.

b. Health Insurance Costs. Health insurance costs are reportedly going to *decrease* for the first time in my professional memory by 5%. This decrease is reflected in the Group Insurance Line Item of each department’s personnel expenditures. Recent years have seen health insurance increases in some communities by 20%.

c. Professional Services. Professional Services are up \$113,355 (24.8%) primarily due to increased costs for fire protection and third-party planning costs. The Fire Protection contract is up \$45,655 (12.7%). Planning increases this figure by \$50,000 for the development and creation of a Unified Development Ordinance. This will replace the existing planning ordinances.

d. Buildings and Grounds Maintenance. The Public Buildings & Grounds Department was reinstated so that costs for Town Hall, the Community Center, and the new Planning & Engineering Building, all General Fund departments can be tracked in

one place. There was some uncertainty about the expenditures for the new Planning & Engineering Department.

e. Automotive Maintenance and Repair. Automotive Maintenance and Repair is up \$6000 (15.2%), primarily due to the increased cost of maintaining aging police cars. The Town is budgeted to spend \$45,000 to repair older vehicles. This figure could decrease if requested Police and Utilities vehicles are replaced.

f. Automotive Supplies. Automotive supplies are up \$9,000 (13.0%) due to recent increases in fuel prices and an expected continuing upward trend in fuel prices. Fuel prices at the beginning of fiscal year 2011-2012 were below \$3.75 per gallon and are now approaching \$4.00 per gallon. The proposed increase assumes average fuel costs of \$4.25 per gallon in fiscal year 2013-2014.

g. Capital Equipment. The Police Department requested two new vehicles at \$33,000 per vehicle.

3. Enterprise Fund Revenues. Enterprise revenues are also expected to increase next year due to the mid-year rate increase which was effective January 2013. We have also budgeted \$539,580 from the Enterprise Fund balance to augment revenues and balance the budget compared to \$402,245 in fiscal year 2011-2012.

Enterprise Fund Expenses. Enterprise fund expenditures are up 10.4%. This increase is attributed primarily to the Water and Wastewater Treatment Plants, and it is included in their Buildings & Grounds Maintenance, Equipment Maintenance, and Capital Outlay line items. Adam Picket, Water Treatment Plant Superintendent, and Randy Heard, Wastewater Treatment Plant Superintendent, will be in attendance at the budget work session on May 6th to discuss their requests in further detail.

BUDGET ORDINANCE

Budget Ordinance - Fiscal Year 2013-2014

Be it ordained by the Board of Commissioners of the Town of Pittsboro, North Carolina, this 10th day of June, 2013, that the following fund revenues and departmental expenditures together with certain restrictions and authorizations are adopted:

Section I. General Fund

<u>A. Revenues Anticipated Source</u>	<u>Amount</u>
Ad valorem Taxes for 2013	\$1,552,757
Ad valorem Taxes (prior years)	26,000
Tax Penalties and Interest	5,000
Local Option Sales Taxes	528,000
Hold Harmless Tax	180,000
Powell Bill.....	110,000

License and Permits	20,000
Utilities Franchise Taxes.....	110,000
Video Sales Tax	28,000
Interest Earned on Fund Balance	4,000
Solid Waste Revenues.....	325,000
ABC Revenues	46,000
Recreation/Community Bldg. Rent.....	18,000
Fund Balance Appropriation.....	210,647
Transfer from Enterprise Fund (Admin. Support)	190,556
Telecommunications Tax.....	34,000
Domestic Violence Policing Grant	15,000
Other Revenues	<u>122,299</u>
Total General Fund Revenues.....	\$3,525,259

B. Expenditures authorized by Department

<u>Department</u>	
<u>Amount</u>	
Governing Board.....	\$ 68,700
Administration	517,295
Legal.....	27,500
Engineering	140,149
Planning	339,473
Police.....	1,168,294
Fire	405,313
Public Works.....	385,715
Public Buildings & Grounds	69,500
Sanitation	326,500
Recreation	<u>76,820</u>
Total General Fund Expenditures	\$3,525,259

Section II. Enterprise Fund

Revenues Anticipated

<u>Source</u>	<u>Amount</u>
Water Charges.....	\$ 1,258,000
Reuse Water Charges.....	55,000
Wastewater Charges.....	1,072,000
Interest Earned on Fund Balance.....	4,000
Penalties and Reconnect Fees.....	40,000
Other Revenues.....	24,000
Fund Balance Appropriation.....	<u>539,580</u>
Total Enterprise Fund Revenues.....	\$ 2,992,580

Expenditures Budgeted

<u>Department</u>	<u>Amount</u>
Administration.....	\$ 158,408
Water Treatment Plant.....	1,148,940
Wastewater Treatment Plant.....	688,567
Public Utility Maintenance.....	518,195
Debt Service.....	<u>478,470</u>
Total Enterprise Fund Expenditures.....	\$ 2,992,580

Section III. Capital Reserve Funds

A. General Fund Capital Reserve Revenues

Interest Earned.....\$

B. General Fund Capital Reserve Expenditures

Reserved for Future Improvements.....\$

C. Enterprise Fund Capital Reserve Revenues

Interest Earned.....\$

Water Access Charges.....

Water Capital Recovery Charge.....

Water Capital Reserve Contribution.....

Sewer Access Fees.....

Sewer Capital Recovery Charge.....

Sewer Capital Reserve Contribution.....0

Total Enterprise Fund Capital Reserve Revenues.....\$

D. Enterprise Fund Capital Reserve Expenditures

Reserved for Future Improvements.....\$

Total of All Funds.....\$

CAPITAL RESERVE BUDGET WILL BE SUBMITTED WITH THE CIP.

Section IV. Capital Improvement Program.

Additional details on the entire five-year Capital Improvement Plan will be presented to the Board of Commissioners for adoption by a separate resolution. A separate project ordinance will be submitted to the Board of Commissioners for each capital project that requires an appropriation of funds in fiscal year 2013-14.

Section V. Tax Rate Established

An Ad valorem tax rate of \$0.3673 per \$100.00 assessed value is set for the official tax rate for the Town of Pittsboro for Fiscal Year 2013-14. This rate is based on the most recent valuation and uses an anticipated collection rate of 97.0% which is consistent with prior years. One cent will generate approximately \$43,582 in real and personal property taxes.

Section VI. General Fund Fees and Charges for Service

A. Residential solid waste and recycling collection and disposal

1. Base Rate. \$165.00 per year on the tax bill.
2. Solid Waste Customers in New Residential Dwellings. Customers requesting solid waste collection for residential pickup in new homes will pay at the time of request for service an amount pro-rated relative to the number of months remaining in the calendar year.

B. Commercial solid waste service

<u>Type of Service</u>	<u>Service Per Week</u>	<u>Monthly Fee</u>
95-gallon Residential Roll Cart	1	\$ 16.50
4 yard	1	\$ 49.00
4 yard	2	\$ 98.00
6 yard	1	\$ 73.50
6 yard	2	\$146.00
8 yard	1	\$ 98.00
8 yard	2	\$196.00

C. Zoning, Site Plan Review, Petition for Annexation and Subdivision Application Fees

1. Zoning Application Fees
 - a. Zoning Compliance Certificate \$ 52.00
 - b. Zoning Conformity/Compliance Letter \$ 26.00
 - c. Rezoning \$360.00
 - d. MUPD Rezoning (cost of technical review plus) \$825.00
 - e. Special Use Permit \$360.00
 - f. Conditional Use District Rezoning \$360.00
 - g. Land Use Plan Amendment \$360.00

h. Zone Text Amendment	\$390.00
i. Home Occupation Fee	\$ 26.00
j. Subdivision Regulation Amendment	\$390.00
k. Commercial Site Plan:	
➤ ½ acre or less	\$310.00
➤ ½ acre less than 1 acre	\$440.00
➤ over 1 acre or portion thereof	\$440.00/acre
l. Variance/Appeal	\$360.00
m. Petition for Annexation	\$390.00
n. Signs:	
➤ Temporary	\$ 52.00
➤ Free standing	\$105.00
➤ Wall sign	\$105.00
➤ Minor Modification (change of 25% or less to existing sign	\$ 52.00
o. Flood plain Determination	
➤ With building permit	\$ 16.00
➤ Without building permit	\$ 26.00
➤ Non Residential – Free Standing	\$155.00
p. Petition to abandon street r-o-w	\$310.00
q. Planning Administration/Public Hearing Fee	\$360.00

2. Zoning Inspection Fees

a. Engineering plan review	\$125.00/hr
b. Field inspection	\$105.00/hr

Note #1 – Site Plan Review must include Storm Water Control Plans in conformity with North Carolina Phase II Storm Water Regulations.

3. Subdivision Application Fees

a. Minor Subdivision (1 – 5 lots)	\$105.00/Lot
b. Major Subdivision –	
1. 6 to 10 lots	\$ 1,800.00
2. 11 to 20 lots	\$ 2,600.00
3. 21 to 30 lots	\$ 3,100.00
4. 31 to 40 lots	\$ 3,600.00
5. 41 or more lots	\$ 100.00/lot

c. In addition, subdivisions involving municipal utilities will pay a fee of \$1.80/foot for inspection for each linear foot of water, wastewater and roadway construction. Fees associated with review and inspection must be paid to the Town at the time of submittal of construction plans. Plans will not be accepted until these fees are paid.

d. Recreation fees in lieu of dedication	\$1,030.00/lot
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D. Storm Water Control Plan Review. \$150.00/acre of site or subdivision to be reviewed with a minimum of \$300.00 per application and a maximum limited to the Town's cost for

engineering review plus 10%. This fee shall be paid at preliminary site plan review or subdivision construction plan submittal.

E. Community Building and Picnic Shelter Rent – Rental is based on 1-3 hours of use per day with each additional hour being a pro-rated amount and subject to availability. Persons desiring to use the Community Building for periods exceeding ten days must make formal request to Town Manager.

1. Community Building. Base rate is \$65.00 per day for up to three hours of usage and then \$20.00/hour thereafter. Rental for ten or more days per year is \$45.00/per day for up to three hours of usage and then \$15.00/hour thereafter. Deposit is \$75.00. Renting Party is responsible for leaving building and grounds clean and returning all keys before deposit is refunded.

2. Picnic Shelter. These facilities are unsecured and open to the public. They will be managed as first-come-first-served facilities with no charge.

F. Administrative Service Fees

1. Copying Fee. \$0.15 per page.

2. Returned Check Fee. \$40.00 per occurrence.

Section VII. Enterprise Fees and Rates

A. Water and Wastewater Rate Schedule

Water Deposit Schedule for New Water Accounts

	Inside	Outside
Property Owner	\$50.00	\$100.00
Non-Property Owner	\$75.00	\$125.00
Commercial	\$75.00	\$125.00

	Water		Wastewater	
	Inside	Outside	Inside	Outside
Basic Service Charge (Flat monthly fee for meter reading, billing and accounts management)				
Meters ≤ 1 inch	\$ 13.00	\$26.00	\$ 14.00	\$ 28.00
Meters > 1 inch	\$ 24.00	\$48.00	\$ 26.00	\$ 52.00

Plus a monthly usage fee per 1,000 gallons

0 to 2,000 gallons	\$ 4.50	\$ 9.00	\$ 6.75	\$13.50
2,001 to 6,000 gallons	\$ 5.15	\$ 10.30	\$ 7.98	\$15.96
> 6,000 gallons	\$ 6.00	\$ 12.00	\$ 9.34	\$18.68

B. Irrigation Meters. In accordance with North Carolina General Statutes, new irrigation systems installed after July 1, 2009 must be on a separate irrigation meter. The standard meter installation and tap fee will apply to irrigation meters. Water usage on irrigation meters will be billed at the rates above; however, there will be no sewer charge on these meters.

Meter Tampering, Reconnection and Unauthorized use of Water System

1. Tampering and Reconnection Fees. Fee for unauthorized tampering with the Town of Pittsboro Water System or its meters will be \$500.00. Reconnection fees will be \$25.00 during normal working hours and \$100 after normal working hours.
3. Meter Testing and Meter Repair Fees. Required Meter and Backflow Prevention Testing Fees will be actual costs associated with the testing and/or repair of the Meter plus an additional 50% to enable the Town to recoup its cost.

Bulk Water Sales. Sale of potable water can be purchased at a rate of \$105 per 10,000 gallons with prior approval by the Town Manager or his/her designee.

Provision of Service for Internal Fire Suppression. In lieu of a meter to be placed on water service line provided for internal sprinkler systems which are installed for fire suppression services a flat monthly rate will be charged. The charges will be as follows:

- | | |
|--------------------------------|---------------|
| 1. 2" fire suppression service | \$45.00/month |
| 2. 4" fire suppression service | \$60.00/month |
| 3. 6" fire suppression service | \$75.00/month |
| 4. 8" fire suppression service | \$90.00/month |

Access Fees. This fee is designed to compensate the Citizens of Pittsboro for their investment in the Water and Wastewater treatment facilities. The access fees will be collected at the time a zoning compliance certificate is applied for from the Town of Pittsboro. The fee will be based on the volume of capacity needed according to the North Carolina Administrative Code T15A:02H.0200 and will be charged at the following rates:

<u>Water</u>	<u>Wastewater</u>
\$6.10/gallon/day	\$11.00/gallon/day

Capital Recovery Fee. This fee is established as a financial mechanism to recoup the funds needed to construct and maintain major artery/outfall lines, which serve the Town's water and wastewater systems, and will be paid by the property developer making the improvement before approval of the final plat or site plan.

No extension of time associated with Preliminary Plats will be approved by the Town Board of Commissioners without payment-in-full of all Capital Recovery fees associated with the development.

Should off-site improvements be necessary to develop a parcel of real estate or a tract of real estate, these improvements will be at the developer's expense, consistent with the Street and Utility Specification of the Town and with the approval of the Town Board. The Capital Recovery Fee Schedule (per net acre to be developed) for FY 2012-2013 is as provided below:

<u>Zoning District</u>	<u>Water</u>	<u>Reuse Water</u>	<u>Wastewater</u>
R-10	\$2,470	\$2,470	\$3,700
R-12	\$2,040	\$2,040	\$3,060
R-15	\$1,610	\$1,610	\$2,470
RA & RA 2	\$1,400	\$1,400	\$2,140
O & I	\$2,470	\$2,470	\$3,700
Multifamily/PUD/MHP	\$3,600	\$3,600	\$5,400
C-1	\$4,340	\$4,340	\$6,530
C-2	\$3,000	\$3,000	\$4,500
M-1	\$3,000	\$3,000	\$4,500
M-2	\$3,850	\$3,850	\$5,790

Connection Fees. These fees are charged to the individual lot that has water and wastewater available to the respective lots and will be the **actual cost** for the connection and any associated extension of the Town's Utility System.

Individual lots requesting connection will pay an Access Charge and a pro-rated Capital Recovery Fee based on the zoning district in which it is located.

Estimates for the work to be performed will be obtained by the Town and provided to the entity requesting connection. Fifty-percent of the total amount of the costs associated with the connection, including applicable fees, will be paid to the Town before the work is performed with the remainder to be paid in full before the service, water or wastewater, is provided.

Meter Fee. Requests for the installation of ¾-inch water meters will be \$285.00. All other size meters will be charged to the requesting entity at the cost of the meter to the Town.

SECTION VIII. Special Authorization – Town Manager (Budget Officer)

- A. The Town Manager shall serve as Budget Officer and shall be authorized to reallocate departmental appropriations among the various objects of expenditure as he believes necessary.
- B. The Town Manager shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated monies for the department whose allocations are

reduced. Notation of all such transfers shall be made to the Board of Commissioners at the next succeeding financial report.

- C. The Town Manager may make interfund loans for a period of not more than 60 days.
- D. Interfund transfers, established in the budget document may be accomplished without recourse to the Board.

SECTION IX. Restriction – Town Manager (Budget Officer)

- A. The interfund transfer of monies, except as noted in Section VIII paragraph C and D shall be accomplished by Board authorization only.
- B. No unbudgeted capital equipment outlays greater than \$5,000 will be made or obligated without obtaining approval from the Town Board. Capital equipment purchases in the approved budget and under \$90,000 may be completed by the Town Manager without further consultation with the Board. Capital equipment purchases over \$90,000, budgeted or unbudgeted, require a formal bid process and must be approved by the Board of Commissioners.
- C. No unbudgeted capital improvement project outlays greater than \$10,000 will be made or obligated without obtaining approval from the Town Board except in an emergency when such projects are required to restore the water treatment plant, wastewater treatment plant or other critical Town facilities to normal operations after a service interruption. In the event of such a maintenance emergency, the Town Manager may take the necessary steps to make emergency repairs and will notify all members of the Town Board by telephone of the nature of the emergency and the estimated cost of the repairs.
- D. Contracts for budgeted capital improvement projects that meet the State requirements for informal bids (less than \$500,000) may be executed by the Town Manager without referral to the Town Board; however the Town Board may elect to conduct a formal bid process, including a review of the Town Manager's recommendation for bid award, on any specific project regardless of cost. Contracts for budgeted capital improvement projects that meet the State requirements for formal bids (over \$500,000) will be executed by the Town Manager only after a competitive bid process and only after the Town Board has approved the award of the contract to the lowest responsive bidder.

This Ordinance, budget document, the adopted Capital Improvement Plan and supporting capital project ordinances shall be the basis of the financial plan for the Town of Pittsboro Government during the 2013-2014 fiscal year. The Budget Officer shall administer the budget and he shall insure that operating officials are provided guidance and sufficient details to implement their appropriated portion of the budget. The Finance Officer shall establish records which are in consonance with the budget, this Ordinance and the appropriate statutes of the State of North Carolina.

After much discussion the following items were requested to be brought back to the Board of Commissioners:

- Scenarios for water and sewer rates increases
- How many customers were added since last year
- Look at ad valorem tax amount
- List of things you can and cannot do for investments
- Amount of Fund Balance
- Revisit all fees to make sure they cover actual cost – we have 2 different zoning districts that are not included in the budget ordinance

The Board agreed to schedule another budget work session during the May 13, 2013 regular meeting.

ADJOURNMENT

Motion made by Commissioner Fiocco seconded by Commissioner Foley to adjourn at 9:10 p.m.
Vote Aye-5 Nay-0

Randolph Voller, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC
Town Clerk