

April 23rd, 2018
Budget Workshop

At 5:15pm, on Monday, April 23rd, 2018, in the Board Room of the Landis Municipal Building, Mayor Mike Mahaley called to order the Town of Landis Board of Aldermen Budget Workshop. Those present along with Mayor Mahaley were Aldermen Tommy Garver, Bobby G. Brown, Tony Corriher and Seth Moore, Town Manager Reed Linn, Public Works Director Ron Miller, Police Chief Kenny Isenhour, Deputy Town Clerk Debbie Goodman, Finance Officer Ginger Gibson, Administrative Assistant Heather Wood and Town Attorney Rick Locklear.

A quorum was met.

Mayor Mahaley opened the meeting and welcomed all those in attendance.

The pledge of allegiance was then led by Mayor Mahaley.

The purpose of the meeting was to discuss the upcoming 2018-2019 budget. Manager Linn stated that they had ran into a few issues with the Water and Sewer Funds and they were no longer balanced, they were in the process of figuring that out. They would be meeting tomorrow with Electricities about the new rate structure. However, the General Fund and Stormwater were balanced as submitted.

Alderman Brown inquired about having the Town's CPA put the preliminary text on the financial statement at the top instead of across the page. Manager Linn explained that on the final draft, it is at the top of the page, but some of the Board had requested to get the financial statements as soon as they were available.

Manager Linn then went over the highlights of the General Fund. There was some discussion of how increasing the property tax by \$.05, \$.07 or \$.09 would affect the budget. He stated that they had also discussed a vehicle tax. If the Board decided on a \$.05 property tax increase and a \$30.00 vehicle tax it would generate \$300,000.00 to pave streets. The budget they had been presented with tonight reflected the \$.05 property tax increase and a \$30.00 vehicle tax. It would take a \$.09 property tax increase to generate the same revenue. Alderman Corriher stated he was for the \$.05 property tax increase and the \$30.00 vehicle tax. Alderman Brown stated that the Board hadn't wanted to do both. Alderman Corriher stated that they had been reconsidering.

Manager Linn explained that it was Staff's understanding after the last meeting that paving streets was a top priority. The layout presented would allow a lot to be done. Alderman Garver stated that he didn't agree at first, but now he's on Board now because this would put some of the burden on renters as well. There was some discussion.

Manager Linn also went over some of the projected revenue that had been received and what items that included. Those items, in addition to the \$.05 property tax increase, a \$30.00 vehicle tax and a \$150,000.00 transfer from the Light Fund allowed Staff to present a balanced General Fund budget.

There was discussion of the future of the pavilion and the work that needed to be done at the passive park. The money budgeted to work on the passive park comes from a fund established to do work at the park and it comes from the proceeds of the property gifted by DC Linn's family that had been sold. Manager Linn stated that the Board could come by City Hall to see the long term plans for the passive

park. The other \$20,000.00 budgeted for the pavilion, whether that meant fixing it up, demolishing it, or whatever the Board decided.

There was discussion of the transfer from the Light Fund to the General Fund. Manager Linn explained that several years ago the amount had been lowered from \$300,000.00 to \$150,000.00. The Town was allowed to transfer up to 5% of the sale of current from the previous year. The transfer was put in there as a precautionary step and if it was not necessary, it would not be transferred.

The Stormwater Fund was also balanced as permitted. There would be continuation of drainage and runoff construction.

Alderman Brown inquired if the garbage fee the Town charged covered the contract. Manager Linn confirmed that it did, as well as curbside leaves and limbs.

Manager Linn stated that it was a lot of information and the Board could ask questions now, or take the information, review it and contact Staff if they had any questions. He inquired if there were any specific questions that night.

Alderman Garver inquired about the overages in salaries in the current budget year, and wanted to know if that had been addressed. Manager Linn stated that he and Finance Officer Ginger Gibson had looked at that and believed they had it solved.

Manager Linn and Director Miller had met with the engineers about the lift station and they had been given options to look into. The long term plan was to have Kannapolis treat all of Landis' wastewater. There was some discussion.

There was also discussion of the paving of Main Street by the DOT. The state would be waiting until the water project was complete before paving the affected areas. There was some discussion of the ongoing water project.

Mayor Mahaley stated that he wanted to go on record stating that he did not like the idea of the DOT having to come back to pave certain areas and that he felt the water project hadn't been handled correctly since they were still "messaging" with it.

Alderman Brown stated that he needed to go through the budget line item by line item before commenting. Manager Linn stated that the Board should feel free to come by if they have any questions, or call him at any time.

There was then discussion of tap fees. Staff had looked into increasing them and had included it in the budget. They were recommending an increase from \$2,000.00 to \$2,500.00 for both water and sewer tap fees.

Alderman Brown inquired if Stormwater was a budget all its own. Manager Linn confirmed that was the case and there was one employee in that fund. Mayor Mahaley explained that the Town had been mandated by the state about eight years ago to establish a Stormwater fund, so they had to have an employee there. Manager Linn stated that this employee's salary was split between several funds. There was some discussion of positions that were split between multiple departments.

Alderman Garver stated that he had been contacted by Meals on Wheels. They wanted to come to a regular meeting and talk about what they do; they also wanted to see if the Town would like to represent one person per year for around \$2,000.00. Alderman Garver felt the Board needed to discuss if they wanted that in the budget or not. Alderman Brown cautioned that this would open the door for every other organization to come and make similar requests. There was discussion of the matter.

Alderman Garver stated if there were any problems, like with the overtime, the Finance Officer would let Manager Linn know, correct? Finance Officer Gibson stated that Manager Linn handles the (overtime) report because he is HR. Alderman Garver inquired about a report on the OT for employees. Manager Linn stated that he was handling it and the Board would get it every two weeks, he had spoken to the Mayor today.

There was some discussion of the property tax increase, as well as the vehicle tax, and the Board wanted it noted for the press that there were other towns also doing a vehicle tax. Manager Linn stated that one town was charging \$10.00, while another was charging \$15.00 (Kannapolis and Salisbury respectively). It was also reiterated that 100% of the revenue from the vehicle tax had to be used on roads.

Alderman Moore clarified that the Board had decided to go with a \$.05 property tax increase and a \$30.00 vehicle tax. That was the case.

The Board decided to call for the next budget workshop at the next regular meeting.

Alderman Garver thanked Staff for their hard work.

Manager Linn told the Board if they had any questions to please come by City Hall and ask.

Alderman Corriher motioned, seconded by Alderman Garver, to adjourn the meeting. All voted aye.

The meeting was adjourned at 5:57pm on Monday, April 23rd, 2018.

Heather Wood
Administrative Assistant