

MINUTES FOR BOARD OF ALDERMEN MEETING – BUDGET WORK SESSION

March 12th, 2012

5:00 PM

The following elected officials were present: Mayor Coleman, Alderman Beaty, Alderman Huggins, Alderman Martin, and Alderwoman Morrow. Alderman Withers was absent.

The following staff members were present: Jim Palenick, Interim Town Manager; Maria Stroupe, Administrative Services Director; Doug Huffman, Electric Director; Allen Scott, Police Captain; Bill Trudnak, Public Works Director; David Kahler, Community Development Director; and Anne Martin, Recreation Director. Steve Lambert, Fire Chief, was absent.

The Mayor called the meeting to order at 5:32 pm.

Mayor Coleman opened with the Invocation and the Pledge of Allegiance to the Flag.

The purpose of the work session was to begin the process of developing the FY 2012-2013 budget. Mr. Palenick outlined the prospect for revenues in each of the funds. Staff members outlined their goals and objectives for the coming year.

No action was taken, as this was a work session and the beginning of the budget process. Mr. Palenick and Ms. Stroupe will meet with each Department Head to discuss their proposed budgets and develop an overall proposed budget to present to the Board in May.

The work session was adjourned at 8:34.

Rick Coleman, Mayor

Maria Stroupe, Town Clerk

Town Of Dallas
FY 2012-2013

BUDGET CONSIDERATIONS

FUND BALANCES:

<u>Fund:</u>	<u>Eff. 7/01/11:</u>	<u>As % of FY2011-2012 Budget:</u>
General Fund:	\$1,786,809	59%
Water/Sewer Fund:	\$1,443,283	62%
Electric Fund:	\$3,095,292	43%
StormWater Fund:	\$ 133,162	191%
Law Enf. Sep. Allow:	\$ 91,593	---
Cap. Res./Gen'l:	\$ 49,278	---
Cap. Res./ W-S:	\$ 90,842	---

REVENUES:

Property Taxes:

Total Real and Personal Property Valuation (eff. Jan. 2011): \$234,014,686

Total Registered Motor Vehicle Valuation (eff. Jan 2011): \$ 21,471,584

\$234,014,686 @ .0038 (38 cents per \$100/valuation) = \$889,256

\$21,471,584 @ .0038 (38 cents per \$100/valuation) = \$ 81,592

\$889,256 @ .9725 (avg. coll. rate of 97.25%) = \$864,802

\$81,592 @ .8000 (avg. coll. rate of 80%) = \$ 65,274

TOTAL PROP. TAXES = \$930,076

Therefore, For Each 1 Cent in Additional Property Taxes, The Town Would Generate :
\$24,476.00.

Sales Taxes:

The Town has an Amended Agreement with Gaston County for a gradual "Phase-out" of the Required "Hold-Harmless" Sales Tax Payments, which calls for The County's obligation to "Make-up" any State-distributed, yearly total Sales Tax Payments less than \$520,626.00, to a Maximum total of \$280,902 in FY 2009-10; and then decreasing by \$21,608 per year for each of the twelve-years through FY2021-22. Meaning that, for FY2012-13 we will see County Sales Tax payments likely decrease from \$237,686 to \$216,078 (less \$21,608).

StormWater Fees:

The Town contracted with Centralina C.O.G. to produce a Study identifying Non-residential properties and quantifying their impervious surface coverage areas, for the purpose of amending the current Rate schedule (\$2.08/month for all users regardless of size, use, or impact) to amend the charges to commercial and industrial accounts to better reflect their impact and demands on the system. The current structure is highly “regressive” and unfair to residential rate-payers, yet to-date the results of the study have not led to an amended structure. This should be strongly considered for the FY 2012-2013 .

EXPENDITURES:

<u>Wages & Benefits:</u>	<u>FY2011-2012 Wages</u>	<u>F Y2011-2012 Benefits</u>
General Fund:	\$1,015,972	\$195,628
Water/Sewer Fund:	447,950	83,006
Electric Fund:	515,478	95,518
StormWater Fund:	<u>28,235</u>	<u>5,232</u>
Totals:	\$2,007,635	\$379,384

- (Potential Wage Increases)..... For Each proposed 1% Increase in “Across-the-Board” Employee Wage Increases, The Overall Budget for Wages would increase by approx. \$20,077.
- This would, in turn, Increase Benefits (Not including Health Care) Costs by approx. \$3,794. (\$23,871 combined).

Health Care:

Health Care costs will Increase (Effective April 1st,2012) by 15%. This will result in an Increase to the FY2012-2013 Budget of at Least \$57,139 (\$28,987 Gen'l Fund; \$13,263 Water/Sewer; \$14,126 Electric; and \$764 Storm).

Court House Rehabilitation:

- Does the Town wish to establish a 501c3 Non-Profit Foundation to solicit and manage Tax-deductible donations for rehabilitation?
- Legal Costs?
- Structure, governance, and planning?

- Professional Fund-raiser?
- Ties to the 150th Anniversary (Sesquicentennial)?
- How Much, if any, should come from the Town Budget?

Recreation & Parks:

- Should there be an altered Programming Focus?
- Youth sports vs. Adult activities/recreation?
- Priority for Town Residents?
- Reflected in fee structure?

Permanent, Full-Time Manager:

- Salary & Benefits?
- Costs of Recruitment?

SesquiCentennial:

- Feb. 11, 2013.....150 Year Anniversary
- Festivities?
- Costs?

Water Distribution System Improvements:

- \$3M Debt Financing in Fall, 2012?
- Costs?
- Impacts to Rate Structure?

WasteWater Treatment:

- Economics of Wholesale Treatment Customer to Two Rivers vs. Local Treatment?
- Civil Fines Go away if NPDES Permit Foregone.
- Could Concentrate on Long-term Capital Improvement/Maint. To Collection System, if Treatment provided by Others.

Buildings, Grounds, Facilities:

- Capital Projects?
- Maintenance Issues?

Vehicles & Equipment:

- Police?
- Fire?
- Electric?

- **Water/Sewer?**
- **Streets/Public Works?**
- **Other?**

New Initiatives or Programs:

- **How Much of a Priority?**
- **How to Fund?**