

BUDGET WORKSHOP MEETING MINUTES

April 1, 2021 - 6:00 p.m.

A budget workshop was held on April 1st, at 6:00 p.m. at Village Hall. Present at the meeting were Mayor Mark Baker, Mayor Pro Tem Myron Marion, Councilor Lee Ault, Councilor Lori Shore-Smith, and Administrator Dan Corder. Attendance was 5. No members of the press or public were in attendance.

Mayor Baker called the meeting to order, and then turned the meeting over to Administrator Corder to update the Council concerning the preparations for the 2021-2022 budget.

He presented several items to the Council. The review and discussion proceeded as follows:

Revenues – The NCLM estimates of state shared revenues are not available as of this date. Therefore, many estimates are based on past performance. This is a revaluation year and the initial estimates indicate that the Village will have about a 14% increase in ad valorem tax revenue. The Reynolds payment will also index forward due to this and the payment is estimated to increase by 8.83%. State shared revenues should recover somewhat. The exception to this will be occupancy tax. Utility sales taxes will be off slightly. Interest income will be extremely low for the next fiscal year. Community Center rent will be off until the gathering guidelines allow us to put people together in the main room closer than the 6 feet of social distance required by the capacity requirements. The big news at this time from a revenue standpoint is the effect that will be generated from the American Rescue Plan stimulus that towns will be eligible for. The estimate we are eligible for is about \$795,000. There will be restrictions on this and right now no one has a good idea what it can be used for until further guidance is received. It does appear that we will be given the opportunity to receive half of what we are eligible for this fiscal year and half within 12 months of the first distribution. Any money spent must be spent prior to December 2024. Unexpended funds must be returned to the Federal Treasury. We should not budget any major capital projects or expenses until we determine what we can use this money for. Revenue replacement does appear to be something we can use this for, but the measurement will have to be defined more accurately in order to determine what the number for this would be. Should the Council accept this funding, a special fund will have to be established to account for it. Also, the reporting requirements and documentation for expenditures will be strict and the Village will have to comply with all requirements for the expenditure of federal funds. Not complying with these requirements if audited could result in reimbursing the federal government for undocumented fund expenditures.

Council Department Expenses – Municipal election costs are estimated to be \$3,567 for the upcoming budget year. The audit cost for Gibson and Company will be \$14,075. After discussing the monetary requirements for a single audit with our accountants, they said that the amount of the ARP funds would not be enough to generate that kind of audit as the money was split over a two-year period. There should be no major increases in liability and workers comp for this fiscal year. The budget allows for replacement of a few of the street ornaments and an order of street banners for the upcoming year. The Wi-Fi equipment in Village Hall is no longer functional. If we want to install new equipment at this location, it would have to be added to budget. It might be better to install something at the Community Center which would mean that one would have to add DSL to the building. If that was done, then a better camera system could be installed there to monitor the park as well as to make the camera system accessible remotely.

Administration Department – The big change in this department will be the need for training for a Village Clerk to staff the position when the current Village Clerk retires after January of 2022. The number for health insurance and salaries reflect the need to pay an additional person during this time. Per personnel policy, accrued vacation time must also be paid at termination. The salary line item also reflects a proposed increase in pay for current employees. Parking lot repairs for the Village Hall parking lot remain to be scheduled this year. If this carries in to the next fiscal year, we will carry that expense forward.

Park Department Expenses – The Village has not held any events this year due to the pandemic and this policy should continue well in to the middle of the fiscal year until it is once again safe to hold events. The Celebration event should be delayed until fall of 2022. The Park and Recreation Committee should start meeting again by fall of 2021. The tennis courts should hold up for one additional year by continuing to patch cracks. However, we are reaching the limits of how long we can go without a complete replacement. Right now, gathering guidelines allow for 50 or less outside for rentals and 25 or less inside. We will have to do normal maintenance on our buildings and wood structures such as pressure washing and painting. We also have to budget for replacement of all park trash receptacles. Since our part time employee will be staffing rentals, we will have to budget for temp labor this summer. There should be enough in the park budget to add DSL to the community center. An estimate of cameras and Wi-Fi will have to be considered in that budget line item. The salary line does include the similar increase for hourly employees as the Administrative department did. While there was no funding received for the development of the 9.5-acre parcel, we do not know at this time what impact if any the ARP will have on this. Also, we will be reapplying for the trails grant this year.

Services Expenses – The garbage and recycling contract estimated costs for next year are \$183,879. Costs have risen due to increased home construction in Village limits. Costs of the contract will remain consistent for this fiscal year. A CPI increase is not due until July of 2022. The estimated budget number includes a growth estimate of 24 households from current numbers. The City of King will be contracted for bulk pickup service. Since the Village is balancing the budget with Powell Bill money, there are \$7,407 showing as expenses for road paving and repair. This number will probably change depending on additional expenses or projects authorized prior to June of 2021.

Capital Project Expenses – The Village Council wishes to re-apply for the trail grant to place a trail on the 9.5-acre property. McGill & Associates has been contacted about this. Initial indications are they will file the grant for no cost this fiscal year. The Council also wishes to examine placing some dollars each year in a Capital Improvement Fund. Therefore, a \$25,000 transfer to the Capital Reserve fund has been budgeted for 2021-2022.

As requested, Administrator Corder reviewed a priority list of future items the Council should consider for funding. A tax increase does not appear necessary for the 2021-2022 budget at this time. Mayor Pro Tem Myron Marion made a motion to adjourn the meeting. Councilor Lori Shore-Smith seconded the motion. The Council voted in favor of adjournment and the meeting adjourned at 6:55 p.m.

Minutes Prepared By:

Dan Corder, Administrator