

Special Meeting of the Town Board of the Town of Lillington, Wednesday, May 19, 2021 at 8:30 a.m.

Board Members Present: Mayor Glenn McFadden
Mayor Pro Tempore Marshall Page
Commissioner Rupert Langdon
Commissioner Dianne Johnson
Commissioner Neil McPhail (virtually)

Staff Present: Joseph Jefferies, Town Manager
Lisa Young, Assistant Town Manager
Alicia Gregory, Town Clerk
Heather Millett, Accounting Technician III

Call to Order: Mayor Glenn McFadden called the meeting to order.

Fiscal Year (FY) 2021-2022 Proposed Budget considerations: Mayor McFadden recognized Town Manager, Joseph Jeffries.

Mr. Jeffries stated that a copy of the proposed budget for Fiscal Year (FY) 2021-2022, including the Feed Schedule, General Fund, Enterprise (Water and Sewer) Fund, and the Powell Bill Fund, has been provided to the Town Board members. A public notice will be posted and advertised stating that the proposed budget is available for public inspection prior to the June 15, 2021 public hearing and adoption. By state law, the proposed budget has to have expenditures and revenues that balance.

Fiscal Year 2021-2022 General Fund Review: Mr. Jeffries reviewed the General Fund and stated the projected revenues and expenditures for this fund is \$4,830,500, which is an increase of 7.35% from the current fiscal year.

New project spending, operational expenditures, and special notations for the General Fund include the following:

- Park at Botanical Trail (restrooms, parking, lights, sidewalk, step repairs, signs)
- Patrol Car
- HVAC (2) units – Town Hall
- Fire Dept (Replace 2 Defibrillators, Deluge Nozzle Gun, Air Bottles)
- Replace fencing around Stewart/Lewis Fields (Black vinyl 8-gauge)
- Signage (Town Hall/Fire Dept)
- Replace Backstops on Stewart/Lewis Fields
- Replace Dugout Fencing on Stewart Field
- New Dirt on Chamber Field
- Picnic Tables and Benches for River Park
- Bridge at Botanical Trail
- Playground at Community Center Repairs (Drain system, mulch)
- 2% COLA increase for all employees
- Salary Adjustments (Dept Heads, Admin, Finance)
- Permitting Tech Position (Salary & Benefits)

*Lillington Board of Commissioners
May 19, 2021 Special Meeting/Budget Work Session Minutes*

- Healthcare costs increased 4.85% for FY2021-2022
- Dental costs increased 5% for FY2021-2022
- Retirement costs for regular employees increased 1.2% for FY2021-2022 to 11.35%
- Retirement costs for Police increased 1.2% for FY2021-2022 to 12.10%

Mr. Jeffries noted that the General Fund was fiscally extremely healthy and answered various questions from the Board. Mr. Jeffries stated that Moody's and the North Carolina League of Municipalities projected the economy's recovery will accelerate in FY 2022, specifically in Metropolitan Statistical Areas such as Raleigh, North Carolina. Mr. Jeffries notes that Lillington will be positively impacted by Raleigh's robust recovery. Mr. Jeffries concludes by stating that based on Moody's reports and all of the planned development, Lillington is positioned for exceptional growth in the next 10 years. Mr. Jeffries states the Town has not started to see an increase in revenue yet, but Lillington is starting to see an increase in demand for our services; therefore, an increase in revenue will follow.

Mayor Glenn McFadden, Commissioner Page, and Commissioner Langdon all expressed reservations regarding a 2% COLA increase for all employees. They did not feel it was enough. Mayor McFadden noted he has heard reports that the Town of Lillington is the lowest paying government entity in the area. He urged for a review of all full-time positions to ensure the Town's employees are being fairly compensated in comparison to individuals with equitable positions in other localities.

Mr. Jeffries acknowledged their concern and suggested a 3% COLA increase for all employees. He notes that he understands the need to provide competitive salaries for employee retention and recruitment success; however, current restraints on resources prevents a comprehensive reclassification and salary adjustment for all employees outside of the 3% COLA increase.

All Commissioners approved of the adjustment from a 2% to 3% COLA increase. Mayor McFadden conditionally accepted with the promise that Town Staff will take a hard look at all salaries for all employees next fiscal year.

Mr. Jeffries and Ms. Young agreed.

There were no additional questions on the General Fund.

Fiscal Year 2021-2022 Enterprise Fund Review: Mr. Jeffries reviewed the Enterprise Fund and stated the projected revenues and expenditures for this fund is \$2,500,000. Which is a decrease of 2% from the current fiscal year.

Proposed new project spending, operational expenditures, and special notations for the Enterprise Fund include the following:

- Sewer Camera
- AMR Automatic Meter Reading
- Meters for AMR
- Sewer Meter for Krigen
- Repair 8-10 Manholes
- Short-Lived Assets Program
- 3% COLA Increase (conducive to General Fund COLA increase)

*Lillington Board of Commissioners
May 19, 2021 Special Meeting/Budget Work Session Minutes*

- Salary Adjustments
- Healthcare costs increased 4.85% for FY2021-2022
- Dental costs increased 5% for FY2021-2022
- Retirement costs for regular employees increased 1.2% for FY2021-2022 to 11.35%
- Water & Sewer rates increase of 8% (Based on WR Martin Study)

Mr. Jeffries explained that he was conservative when suggesting new project spending. Mr. Jeffries also reminded the Board of the findings from the WR Martin Study, suggesting an 8% increase in water and sewer rates to meet increasing costs for water and sewer line maintenance.

The Board expressed concern surrounding new sewer lines and sewer line reparations.

Mr. Jeffries noted that the Town was implemented a new sewer line on Hwy 210 that would cost \$2.5 million; however, the line was going to be funded by System Development Fees and not through the Enterprise fund.

There were no additional questions on the Water/Sewer Fund.

Fiscal Year 2021-2022 Powell Bill Fund Review: Mr. Jeffries reviewed the Powell Bill Fund and stated the projected revenues and expenditures for this fund is \$100,000, which is a decrease of 5.66% from the current fiscal year.

New project spending for the Powell Bill Fund include the following:

- There were no proposed new project spending or new operational expenditures for the proposed FY2021-2022 Powell Bill Fund. The Powell Bill Fund proposed budget includes normal maintenance and repair of Town Streets.

The Board expressed concern regarding the need to resurface streetways within and surrounding Downtown.

Mr. Jeffries assured the Board that Town Staff will look into potentially resurfacing major roadways in Town Limits that need repair; however, he notes that financial restraints will make complete resurfacings difficult.

There were no additional questions on the Powell Bill Fund.

Fiscal Year 2021-2022 Fee Schedule Review: Mr. Jeffries began briefing the Board on the proposed changes in the Town of Lillington Fee Schedule. A copy of the proposed fee schedule was provided to the Board.

Mr. Jeffries explained there were proposed changes to two sections within the FY2021-2022 Fee Schedule: Planning & Inspections and Water/Sewer Rates, as well as a decrease in mileage reimbursement for employing training and travel costs. Mr. Jeffries began with the Planning & Inspections section of the Fee Schedule. He explained there are newly proposed single-day, annual, and change of location Food Truck permits ranging in fees from \$25 to \$200, depending on the requested permit. He notes there was also increases in the Zoning Permit fee from \$50 to \$100, in the Zoning Compliance Letter from \$50 to \$500, and in the Right-of-Way Permit from \$50 to \$100.

*Lillington Board of Commissioners
May 19, 2021 Special Meeting/Budget Work Session Minutes*

Lastly, he notes a maximum of \$5,000 was placed on Rezoning and Conditional Rezoning Request fees.

Mr. Jeffries stated that these changes are in line with neighboring communities and are reflective of Town and developer needs.

Mr. Jeffries moved on to Water and Sewer Rates and stated there has been a universal 8% increase of all residential and commercial water/sewer rates, as well as the rates for Shawtown and Harnett County Correctional Institution. He explains the rate recommendation is based on a Lillington-specific study conducted by WR Martin. It was a flat rate increase of eight percent across the spectrum, for the base rate and variable rate. Mr. Jeffries notes the new rates also includes the increase on bulk water and sewer rates proposed by Harnett County Regional Water.

Under Miscellaneous, the Employee Mileage Reimbursement changed to reflect the changes per IRS 2021 Rate Schedule.

He also stated that the current Lillington tax rate of \$0.52/\$100 property valuation will remain unchanged for Fiscal Year 2021-2022.

Mayor McFadden addressed the Board and asked if everyone was in consensus with the changes to the Fee Schedule.

The Board was polled and there were no objections.


There was no other discussion.

Mayor McFadden reminded the Board to reach out to Town Staff if you should have any questions so they can get those questions addressed.


Mayor McFadden thanked Town Manager, Joseph Jeffries, and Assistant Town Manager, Lisa Young, for their hard work during the budgeting and fee schedule revision process.

Adjournment: Motion by Commissioner Langdon, second by Commissioner Johnson that the meeting be adjourned. The Board was polled and the motion was unanimously approved.

Attest:


Alicia L. Gregory, Town Clerk




Marshall Page, Mayor Pro Tempore