



Town of Green Level Town Council Budget Retreat
Green Level Municipal Building
Tuesday, February 11, 2020

The Town Council's Budget Retreat was held on Tuesday, February 11, 2020 at 7:00 PM in the Green Level Municipal Building located at 2510 Green Level Church Road.

GOVERNING BODY MEMBERS PRESENT: Mayor Carissa Graves-Henry, Mayor Pro Tem Theodore Howard, Councilmember Remonia Enoch, Councilmember Michael Trollinger (also Interim Town Administrator), and Councilmember Sandra McCollum

GREEN LEVEL STAFF PRESENT: Interim Town Administrator Michael Trollinger (also Councilmember) and Town Clerk Suzanne Bigelow

GREEN LEVEL TOWN ATTORNEY PRESENT: Eugene Russell

Mayor Graves-Henry called the meeting to order and introduced Mr. Harold Owens who spoke to the council about town budgeting.

Mr. Owens, a visible operations consultant from the North Carolina League of Municipalities, discussed his job, which entails helping municipalities face financial and the other challenges they may be weathering through. Mr. Owens shared that the Town looks to be in strong shape in regards to our water and sewer services. The surplus of federal money that used to be available is not and Mr. Owens attributed the lack of these funds as a factor in the failing infrastructures in communities. He addressed the high expense of operating water and sewer systems. Mr. Owens recommended the North Carolina League bulletin and the Municipal equation podcast. He mentioned NCLM's various insurance pools that aid small communities.

Mr. Owens shared his background – 40 years in Burlington (26 years in Parks and Recreation and 14 years in Human resources), worked for an architectural company, and is currently a member of the Burlington City Council.

Mr. Owens informed the council that the League has noticed a high amount of turnover in elected bodies. Government is business and does have to have restrictions on spending in order to function. Unlike any other state in the country, North Carolina created the Local Government Commission (state treasurer, state auditor, etc.) because many towns defaulted on multiple loans. This commission has to approve any debt for any local government in North Carolina and are responsible to mandate that each town turns in an annual audit by October 31st of each year. Mr. Owens commented on how clean the Town's audit was. He made it clear that the auditor works for the council and not for any staff. He mentioned the necessity of the audit staying on schedule so that timely submissions may be made. He recommended the Town do a pre-audit in May or June of the fiscal year that we are in for the next fiscal year. The auditor should then come in

again in July or August to finish the work and to submit it to the auditor in a timely manner. Local preparation of the audit is important. Staff on hand or an accounting firm that are maintaining an up-to-date account of records should be in place. The Local Government Commission will look at the trends in our accounting. For instance, if the Town is spending more revenue than it's taking in, the Town could be sent a letter notifying them that they have been put on the unit assistant list.

Concerning the water and sewer fund, an enterprise/business fund, the recommendation was made to ask the auditor where the Town is in regards to depreciation in our water and sewer fund. The Town should anticipate the upcoming major expenses when equipment fails, as far as water tower, etc.

Mr. Owens mentioned the Town's dependence on the City of Graham, where we receive our water and on the City of Burlington, where our wastewater goes. He believes that we will experience rate increases, most years, due to the cost of treating both water and sewer and the depreciation in our system. Tracking the installation dates of the Town's sewer lines becomes helpful when trying to determine when they may need to be replaced. He encouraged the Town Council to go through their audit.

In the case of someone coming in and challenging the Town, the Town's charter can be used to address what can be done by the Town. Mr. Owens shared that most of the Town's charter will generally work off of General Statutes 159 and 160 and if the council needs to change something in their charter, they can have the attorney go to a local legislature and the local legislature can sponsor a local bill (unless the change is extravagant).

Mr. Owens mentioned the complication that comes with growth in the Town in regards to zoning, signage, etc.

Mr. Owens suggested that staff do an annual capital improvement plan, going out a minimum of 5 years (not a staff wish list). The staff should hear what the public wants and what the council sees as priorities. This plan helps to identify issues or desires as to what should be done in the Town. He encouraged the council to communicate with one another and identify where the council wants the community to go.

Mr. Owens, after looking at the Town's budget, mentioned that the Town's property tax revenue is approximately 25% of the general fund budget, whereas the Town's sales tax revenue is 51% of the general fund budget, which is double the property tax revenue amount. He encouraged the Town to grow their tax base, if possible, and to work on explaining the greater good of this to our residents. While Mr. Owens is uncertain if it will happen, he has heard conversation at the state level of the possibility of redistribution of sales tax based on incomes of certain areas of the state. He's seen a growing dependence on sales tax revenue by cities. Sales tax revenue can aid in providing needed programs to the community.

Mr. Owens brought up the Town's budget and said that it was well done. He addressed the Town's new debt service on the new town hall building and his observation of rising health insurance premiums. The amount that the Town pays into their employees' retirement system

will go up 1.2% next year. Concerning Alamance County's tax evaluation done in 2016, Mr. Owens shared that the impact is great for the 8 years following the re-evaluation and he's seen the resale value of homes go down, as a result of this tax re-evaluation.

Mr. Owens encouraged the council to dream some with the budget, to think about where the community can go and how to get it there, and to find out what the citizens value. There is a partive grant, very competitive, that can be used for park and recreational facilities. Being frugal with equipment purchases and determining if it is more cost effective to rent, instead of buy certain items, will make the Town's money go farther. There was council discussion with Mr. Owens. The need to come up with a recycling plan, due to its rising cost, was addressed. A recommendation for building inspections of homes and property upkeep was mentioned and encouraged to prevent property values from going down.

It was stated that over 30% of Bedford Hills' homes have been purchased by realtors and are set to be leased out. The need to put stipulations on new subdivisions as far as the purchasing or leasing of the properties was also presented. There was more council discussion with Mr. Owens. Regulations to sustain the community was addressed by Mr. Owens.

There was discussion about Jordan Lake, built as a storm control measure in 1970, later turned into a water reservoir, and how it has affected our sewer rates. Councilmember Enoch requested the Town's monthly water and sewer bills.

Councilmember Trollinger shared a letter from the State of North Carolina. Consistent recommendations for a secondary line for water supply have been made by the state via Mr. Fox. If something happens to our water line, we only have a 3 day water supply in the Town's water tower. The Town is responsible for providing water to our citizens. The Town needs to start looking into starting a capital outlay fund for an alternative water supply line.

Mr. Owens made himself available to the councilmembers in the event they had any further questions or needs. Mayor Graves-Henry made a motion to adjourn the meeting. Councilmember Trollinger seconded the motion to adjourn the meeting. All were in favor and the motion passed.