



*This meeting was additionally conducted by use of simultaneous communication*

## TOWN COUNCIL BUDGET WORKSHOP

Tuesday, May 26, 2020 at 4:00 PM

Third Floor Training Room at Apex Town Hall, 73 Hunter Street

### Council and Administration

Mayor: Jacques K. Gilbert | Mayor Pro Tem: Nicole L. Dozier

Council Members: Brett D. Gantt; Audra M. Killingsworth; Cheryl F. Stallings; Terry Mahaffey

Town Manager: Drew Havens | Assistant Town Managers: Shawn Purvis and Marty Stone

Town Clerk: Donna B. Hosch, MMC | Town Attorney: Laurie L. Hohe

In attendance were Mayor Jacques K. Gilbert, Mayor Pro Tem Nicole L. Dozier,  
and Council Members Brett D. Gant, Audra M. Killingsworth,  
Cheryl F. Stallings, and Terry Mahaffey

Also in attendance were Town Manager Drew Havens, Assistant Town Manager Shawn  
Purvis, Town Clerk Donna B. Hosch, MMC(remotely), and Town Attorney Laurie L. Hohe

### COMMENCEMENT

Mayor Gilbert called the meeting to order.

Staff presented a high-level overview of the budget. Responding to Council, staff clarified how rate changes will impact each household. Adjustments in Funds were related to COVID-19. Sales tax calculations were explained, going from worst to best case scenarios. There is a mix of what other municipalities are doing for property tax, although most are going above revenue neutral.

Staff presented its cost-cutting methods and stated that Council had been previously informed as to what Capital items had been cut. Staff presented options as to how we might move forward with other potential cuts. He explained how we get from what management wants vs. what Council wants. Personnel items could be adjusted, and this would free up money for projects. Staff spoke about OPEB expenses and how this could be affected. Staff explained how Fund Balance could be used to cover Revenue shortfalls.

Staff spoke about the proposed 7% salary increase and how delaying this until October could work. He did not advise delaying OPEB. He felt we would be okay even if these two expenses were incurred beginning in July. The draft budget would be managed as it was presented, and staff explained how this could be done. We don't want to cut back on services. Staff again talked about delaying the 7% increase, which would normally happen on October 1st. He explained that there would not be personnel cuts or furloughs.

Council Chair of the Personnel Committee stated she believed staff understood this was a health crisis and what Council is trying to do to help staff. Council stated there was a commitment to a living wage prior to COVID. She felt staff would understand they still would have a salary that is decent. Staff stated that the initial conversation with staff was for the increase to be effective July 1st. However, he felt that the move to October 1st could be explained. Staff felt this date change was responsible and would make the current budget more comfortable. He spoke about staying away from employee impacts. OPEB could be recovered, and how this could be done was explained. We are already paying for these benefits.

Conversation ensued about the possibility of delaying projects. Council spoke about the funding which would be coming in to the County. Staff stated we have reached out to the County but have not heard back from them. Previously, the thought was that some funding would be used to help with utility bills. However, we don't have the final say on that. Council stated there would need to be another meeting by the County to discuss the \$150 million funding. Municipalities have asked for \$75 million of this funding to come to them, the decision being made that the County would distribute the funds. Council was disappointed that there was not a policy out yet on this funding.

Staff provided an update on the Beaver Creek intersection. Most projects are dependent upon money from DOT, and these monies will be delayed. Staff spoke about Powell Bill money and how it might be affected. Conversation ensued about projects being delayed until it's determined funding will be coming in.

Staff stated that if the budget were to stay as it was, people would understand that some projects won't happen. We will not start projects just in case monies don't come in. Reiterating what was heard from Council, staff stated that the 7% increase would be delayed to October 1st. He explained what else could be cut from the budget.

Council stated he was in favor of delaying the 7% increase to October 1st and to not make other possible personnel cuts. Staff would find other monies in Capital to cut. If things were to look good throughout the year, then we could start back up with projects. Discussion by Council about whether OPEB trust expense should be delayed.

Council spoke about the impact of asking people to stay at home. More utilities will be used by doing so. Therefore, she questioned an increase in rates as some would be unable to pay them. Conversation ensued along these lines. Staff stated the solid waste increase was from the provider.

The consensus of Council was to fund additional OPEB trust, delay the salary increase to October 1st and to match that amount 2 to 1 with reductions in Capital. Council also wished a solid message to employees explaining the crisis and the Town's values.

Staff explained why some things cannot be funded from Fund Balance. He talked more about the increase in rates and how the budget was balanced with the rates presented.

Council spoke about affordable housing, and how there may be a program coming through to help with newer homes. He asked where our figures came from for affordable housing and was there a need in the community. Staff stated the figures were based on a combination of need and the ability to manage projects. The affordable housing program is independent of the budget. Staff explained how these types of programs have worked elsewhere. We want to make a big difference with a little bit of money.

Both Town Managers agreed that Apex is in better shape than other municipalities. Council would be provided a list based on what was heard in this workshop of what had been removed and the respective dollar amounts.

ADJOURNMENT

With there being no further business and without objection from Council, Mayor Gilbert adjourned the meeting.

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Donna B. Hosch, MMC, NCCMC  
Town Clerk

ATTEST:

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Jacques K. Gilbert, Mayor