

Mayor

David Phillips

Mayor Pro Tem

Ed Samaha

Town Manager

Ryan Spitzer

**Town Council**Chris McDonough
Amelia Stinson-Wesley
Danielle Moore**Town Clerk**

Lisa Snyder

BUDGET MEETING #4
MARCH 26, 2024

The Town Council of the Town of Pineville, NC, met in a Budget Workshop on Tuesday, March 26, 2024 @ 6:00 p.m. The meeting was held at the Town Hall Council Chambers.

ATTENDANCE

Mayor: David Phillips

Mayor Pro-Tem: Ed Samaha

Council Members: Amelia Stinson-Wesley, Chris McDonough, Danielle Moore

Town Manager: Ryan Spitzer

Town Clerk: Lisa Snyder

Finance Director: Chris Tucker

Public Works Director: Chip Hill

Parks & Rec Director: Matt Jakubowski

PCS Director: Tammy Vachon

Mayor David Phillips called the meeting to order at 6:02 pm. Chris Tucker, Finance Director, stated that the meeting will be focused on Public Works, Parks & Recreation, and our Enterprise Fund with Pineville Communications. Our Public works department has one salaried employee, Chip Hill, and his salary is allocated across Stormwater and Streets. The rest of his employees are hourly, full-time employees. He has 2 Stormwater employees, and they are both 100% funded by Stormwater.

Under Public Works Fund Balance, \$2,227,466 is committed to Stormwater, and \$351,471 is restricted to the Powell Bill. Under Parks & Rec Fund Balance, \$1,949,472 is committed to Tourism. They are budgeting \$35,000 for Summer Camp staffing, \$200,000 in revenues from Recreation Sales and Services, and they are implementing the RecDesk Payments Module.

How we create Tourism Fund Balance: if we get more tourism revenues than we expend in tourism expenses, that is when we add Tourism Fund Balance, which is exclusive to Tourism. We can only use those revenues for Tourism-related items.

Public Works Director, Chip Hill, distributed binders to Council and outlined a few changes on page 1. Under Streets, they actually came down. What this includes is a contract with TNT, and LaBella surveys with Travis Morgan's Planning and Reviews also come out of that. He added Mobility Connections, and civil plans for the sidewalks throughout the town. He is proposing a need for a 1,000-gallon gasoline reserve tank, which is mobile and can be moved between departments. He is also requesting a floor scrubber for their warehouse and motor shop to clean the floors. He added a replacement of a truck that is not working properly.

Mr. Hill continued under Powell Bill, in which is restricted, and we receive revenues, and is requesting money for the replacement of street signs that have been damaged. There are currently 90 have been destroyed due to wrecks. It has

been 13 years since they've had a paving study and feels this needs to be done. They try to repave the roads every 7 years. They are also requesting a jackhammer.

Under Stormwater, he is proposing a new aluminum building enclosure for their trucks, power washer, and items to protect them from the elements. The next item is a stormwater video camera and software that will enable them to survey the internal stormwater system to detect cracks, this way he will not have to wait for a water break to happen and can prevent future breaks. If they have a contractor do this for them, the cost would be \$500,000 to map the entire system. If we do it ourselves it would cost \$255,000. We have piping that is 15 or 16 years old. He has two people who are dedicated to stormwater. The warranty is for 2 years, and the software has to be updated every year at \$1,500.

Town Manager Spitzer replied to Council Member Moore's question about Contract Services for Sanitation. Our contract said that it's a natural progression of 3% each year and they can tack on fuel charges. We have not heard back from them requesting any fuel charges. Sanitation is something that we do not charge for, and all sanitation comes out of the General Fund Balance. As new houses are added, our fees go up because we get charged per canister and throughout the year this number does fluctuate.

Parks & Rec Director, Matt Jakubowski, outlined events that his department funds, including Arts & Culture. One of their biggest events is the Symphony and Fireworks. They do general programming, classes, preschool programs, grab and goes, including rentals, field trips, pickleball, summer camp and other things. Their goals are to partner with Pineville Elementary for gym space, maintain/increase social media presence, keeping clean parks and facilities, the Greenway construction, among others.

Mr. Jakubowski stated that he does not have many changes and he is requesting additional money for office supplies. It seems that they are always running out of supplies. He noted that sponsorships are decreasing due to Pineville Neighbors Place being placed under another department. Capital remains very much the same as last year, but he is requesting money for a maintenance shop addition (\$70,000), Belle Center's gym painting (\$26,000), and a basketball goal replacement. He also listed a 2011 Chevy pickup and a Kubota (total of \$76,000). He added paving for the cemetery driveway for a cost of \$9,000. There was general discussion about pour and play and the parks' playground areas at the Belle Johnston Center.

Council Member Moore shared her wish list which includes grief counseling, divorce support groups and mental health programs. She feels these are important to have in our community. Sponsorships were reviewed and discussed. In last year's budget, the following were sponsorships: PCAA (\$10,000), Downtown Merchants (\$10,000), Arts & Science Council (\$10,000), Polk site (\$8,000) and Pineville Players (\$13,000) for a total of \$49,000. Town Manager Spitzer advised Council that they can change where and the amount they are comfortable with for sponsorships.

Council Member Stinson-Wesley feels that the Downtown Merchants have really taken off in the past two years and she wants to make sure that Downtown Merchants are well funded. Mayor Phillips asked about adding Hope Soccer Ministries if there is any money left. He feels this is a worthy cause and has been successful. Town Manager Spitzer said that it is dependent upon what the state statute says for that type of organization. Council Member Stinson-Wesley would definitely like to give \$10,000 each to the Polk Site and to Downtown Merchants. Town Manager Spitzer summarized: \$10,000 for Downtown Merchants, \$10,000 for the Polk Site, \$10,000 for PCAA, \$10,000 for ASC and \$7,000 for Pineville Players and \$2,500 for Hope Soccer. He added that ASC wanted to do a pro-population funding mechanism now.

Finance Director, Chris Tucker, explained that PCS funds, ILEC and CLEC are two enterprise funds that work together. He outlined which employees fall under her scope. Mayor Pro Tem Samaha asked where David Luore falls under. Town Manager said that he works for Electricities and is shared by three municipalities: Huntersville, Cornelius, and us. We pay one-third of his salary no matter how much time he spends here. He is not a Town employee. Mr. Tucker continued with his PCS outline and explained that PCS is funded by the fees that they charge.

Pineville Communications Director, Tammy Vachon, explained that her department has more hurdles than other departments because fund balances are shrinking for projects and expansion. Highlights of things that are happening include spending on putting facilities in the ground and getting their Facebook page and website revamped with someone in their industry. They are doing very well in their fiber neighborhoods. They currently have 1,179 broadband customers, and that 80% of their customers are served by our fiber network.

The business office moved to 505 Main Street. Logistically, it is different because her department is spread out between three buildings. They're working on ways to stay connected despite the change in location.

Ms. Vachon stated that in the residential, they are competitive with their PCS Rewards discount off of their electric bill, speeds, and rate. Some people are going for the specials that their competitors are running and settling for sub-standard service for a lower price point. She is trying to determine why people are deciding to choose our competition when they can choose us.

She continued noting that phone lines are going away and they are going to being an internet company, as their main source of income. All of their ILEC streams are going down. Long-distance revenue is going down. A change on the ILEC side is changing of a switch. They are going from cloud-support to circuit equipment. ILEC owns everything and CLEC pays for everything.

CLEC was reviewed and Ms. Vachon noted that it's about a 50/50 split and the CLEC will have to pay the ILEC \$309,080. Operationally, we are covering expenses for both sides of the house, but a lot of factors can change that. The 2023 Fund Balance was \$1,230,647. For FY245, it is estimated to be \$817,022. We have to build revenue and grow market share. Plant under Construction projects come to \$380,000. This would cover about half of the neighborhoods. Currently, revenues are only covering operations. They offer a product that is affordable, local, dependable and can stand up against the big guys. She has to figure out why people are not taking them. We need to be everywhere they are building.

Ms. Vachon shared their future plans to continue growing, which includes geofencing, building relationships with local realtors, collaborating with Parks and Rec, sales training our CSRs to become more effective sales representatives, nurturing our current electric customers to gain market share, among others.

Finance Director Chris Tucker summarized that Telephone's real pressure is cash. We need profit so we can reinvest in the system.

Council Member Stinson-Wesley moved to adjourn followed by a second made by Mayor Pro Tem Samaha. All ayes.

ADJOURNMENT: At 8:45 p.m. the meeting adjourned.

David Phillips, Mayor

ATTEST:

Lisa Snyder, Town Clerk