

Mayor
David Phillips

Mayor Pro Tem
Ed Samaha

Town Manager
Ryan Spitzer



Town Council
Amelia Stinson-Wesley
Chris McDonough
Danielle Moore

Town Clerk
Lisa Snyder

**SPECIAL MEETING MINUTES
TUESDAY, FEBRUARY 6, 2024, AT 6:00 PM
TOWN HALL COUNCIL CHAMBERS**

The Town Council of the Town of Pineville, NC, met in a Special Meeting on Tuesday, February 6, 2024, at 6:00 pm.

ATTENDANCE

Mayor: David Phillips
Council Members: Chris McDonough, Amelia Stinson-Wesley, Danielle Moore
Town Manager: Ryan Spitzer
Town Clerk: Lisa Snyder
Finance Director: Chris Tucker

Mayor Phillips called the meeting to order at 6:00 pm and stated that this meeting is regarding budget priorities for the FY24-25.

Finance Director Chris Tucker began the meeting by recapping the terminology and outline of the meeting, including budget pressures and the council's budget priorities. He began with Fund Accounting. Governments use Fund Accounting to segregate certain resources for specific activities. There are four types of funds: Governmental funds, Propriety (Enterprise) funds, Fiduciary funds, and Internal Services Funds. We don't use Internal Service funds; bigger cities typically have those.

There are three types of governmental funds: A General Fund, which includes property taxes, sales taxes, grants, and other fees that support the debt service and general functions of the Town, including Governing Body, Administration, Finance, HR, Police and Fire, Public Works, Planning, and Parks and Recreation. Special Revenue Funds are used to account for and report the proceeds of a specific revenue that is restricted or committed to expenditure for a specified purpose. Capital Project Funds are used to account for and report financial resources that are restricted or committed to expenditures for major capital projects, such as, the Town Hall building.

The Town's Major Funds are: General Fund, Electric Fund (Enterprise), ILEC (Enterprise), CLEC (Enterprise), and ARPA Special Revenue Fund (SRF) and Town Hall. Other Town Funds include the 911 PSAP SRF, Asset Forfeiture Special Revenue Fund, Lynnwood/Lakeview Capital Project Fund (CPF), Johnston Drive CPF and the new Fire Station CPF.

He will soon be coming to council to set up the McCullough Greenway fund, Electric Substation, and the Electric Operations Center. Finance Director Tucker went on to explain what the Fund Balance means. It's the difference between Fund Assets and Fund Liabilities, and the major indicator for the fund's near-term financial position. Near-term financial position focuses on whether a government's existing resources and inflows will be sufficient to cover its

existing commitments and outflows. Pineville closed FY23 with \$20.8 million in the General Fund of which \$14.8 million was unassigned. This amount represents about eight months of expenditures. The Town has a Fund Balance policy in the General Fund of 40% Fund Balance to Current Year Expenditures. The Town's current ratio is 64.17% of Unassigned Fund Balance.

There are five types of Fund Balance: Non-spendable (accounts receivable, prepaids, leases), Restricted (grant restrictions, i.e.. Powell Bill has to be used strictly for roads), Committed (for intended uses), Assigned (formal use through council action), and Unassigned (available for appropriation, i.e.. Grower's Outlet)

Enterprise Funds. These funds are treated differently due to their business-type nature. Electric earnings pay their electric operations. Bad debt expense and depreciation hits enterprise more frequently. Pineville's Enterprise Funds closed FY23 carrying \$5.1 million in unrestricted net position.

Budget process. Finance Director Tucker continued outlining the budget process. Local governments are required to develop and adopt a balanced budget by June 30th of each year to go into effect by July 1st. Town Manager Spitzer is the Budget Officer and develops the budget message. The process typically begins in January where departments develop their budget requests based on current and future needs. There are six categories of needs: Salaries and benefits, Operations, Capital Outlay, Debt Service, Contingency, and Transfers to other funds.

During February and March, we process vetting expenditure requests against expected revenues. March through May is dedicated to building a budget plan that also continues to provide expected services while looking toward future needs. Prior to its adoption, the proposed budget is made available to the public in the Town Clerk's office. A public hearing will also be held prior to its adoption in May. The proposed budget will include the tax rate for the upcoming fiscal year. 28.5 cents is the current tax rate per \$100 valuation.

The Fee Schedule is included in the budget and can change each year. Planning and Zoning and Parks and Recreation contain the most fees. This is posted on the Town website.

Property taxes made up about 46% of FY23 actual revenue. It makes up 54% of the of the FY24 original budget revenues. FY24 was a revaluation year and FY28 will be the next. One penny on the tax rate creates \$375,000. Finance Director Tucker explained that revenues first go to the State, then the County distributes it to the municipalities to use.

The first budget workshop will be presented by Davenport Financial Advisors (www.investdavenport.com) and they will share peer data, discuss the fund balance policy, debt policy, debt capacity and the best use of that. They will forecast out twenty years. Tax rate scenarios will be reviewed for the Fire Station debt.

Council priorities. Council Member Amelia Stinson-Wesley said that her constituents have been asking about a quiet zone for quite some time along the railway. There are two crossings within Pineville. Town Manager Spitzer shared that there is a one-time fee of about \$600,000 to have it done.

Council Member Danielle Moore said that she would like to see the Town get a marketing manager. Town Manager Spitzer replied that he is currently looking into that and that we are using Klik Marketing at this time to help us out with our social media and website. Ms. Moore added that she would also like to have more crosswalks and a fence around the police station for added security. Mayor Phillips concurred and added that he would like to see a sign indicating which building is the Police department and which is Town Hall for our residents and visitors.

Council Member Stinson-Wesley added that she has received comments about widening the sidewalks for our Downtown businesses and possibly removing the parking spaces on Main Street. Council Member Moore also would like to see more beautification of the Town, something like Hilton Head. Mayor Phillips would like to see sidewalks from Lowry Street to the bridge.

Mayor Pro Tem Ed Samaha and Council Member Moore discussed adding money to Pineville Neighbor's Place to take care of our residents who need it. He suggested \$50,000, which he feels is a healthy amount. Council Members Stinson-Wesley and Moore concurred. They feel that taking care of the community is part of council's job.

Town Manager Spitzer asked council if they wanted to continue our contract with Waste Pro or go with another trash service. Waste Pro's contract is up June 30th. Council members said to stay with Waste Pro.

Finance Director summarized what was discussed and asked council to review the proposed budget calendar. The calendar will be up for approval on February 13th.

The Special Meeting was adjourned at 8:00 pm.

Mayor David Phillips

ATTEST:

Lisa Snyder, Town Clerk