



Memorandum

TO: Mayor and City Council Members

FROM: Stevie Cox, City Manager

CC: Crystal Postell, Finance Director
Robert Wilhoit, City Attorney

DATE: April 28, 2025

REF: **Hold Public Hearing for Fiscal Year 2025 – 2026 Annual Budget**

Summary:

This is a request for the City Council to hold a public hearing for the Fiscal Year 2025 – 2026 Annual Budget.

Budget Statement:

As the Trinity City Manager and Chief Administrative Officer, I am responsible for developing a description of the significant changes and highlights of the budget and program priorities and submit them to City Council with the proposed Fiscal Year Budget. I am pleased to present the proposed budget for the Fiscal Year beginning July 1, 2025 running through June 30, 2026. The City's budget, a carefully constructed plan for the operation of the City, has been developed over the past six months by the City's Management Team and City Council. It is a balanced and workable outline for the expenditure of funds to continue the services that provide for the public safety, welfare, and quality of life of all the citizens of Trinity.

The budget reflects City Council's and Management's continued commitment to long-range strategic planning and City Staff's teamwork and collaboration in providing high-value services to Trinity's citizens and customers. This budget letter provides a high-level summary of some major components of the budget and the prior year's accomplishments. The other sections of the budget document outline the budget in much more detail, both in departmental summary and by specific fund. The proposed budget reflects a fiscally responsible approach to meeting current demands while maintaining the City's strong financial position. Furthermore, it provides a look at future budgetary demands.

By way of brief highlights, you will note an effort to focus on recovery and reinvestment. To conclude, this budget emphasizes the following strategic goals:

- ❖ Preserving and enhancing general and enterprise funds reserves.
- ❖ Investing in human resources to ensure organizational capacity and stability.
- ❖ Advancing capital projects that are impactful.
- ❖ Planning for future growth and development.

Fiscal Year 2024 – 2025 Accomplishments

In Fiscal Year 2024 – 2025 Budget, the City Council adopted a goal-oriented budget that focused on connecting projects to each budgetary expenditure. By doing so, there were specific goals set for the City Council and Staff to achieve. City Staff has made considerable progress to complete most of those goals and some will have to be completed in the Fiscal Year 2025 – 2026. I would like to highlight a few of those accomplishments.

Progress on the Interlocal Sewer Connection with the City of High Point. The City completed the acquisition of all the easements for this project in February 2024. WithersRavenel has completed the project's design. All documents have been submitted to the North Carolina Department of Environmental Quality for review and approval in February 2024. In September 2024, the City Council awarded the construction contract to Temple Construction. The Pre-Construction conference for this project took place in October 2024. Construction on this project commenced in January 2025. This project is expected to be completed by October 2026. WithersRavenel are project engineers.

Distinguished Budget Presentation Award. In September 2024, the City was presented with the Distinguished Budget Presentation Award for the third year in a row by the Government Finance Officers Association for Fiscal Year 2024 – 2025. This is a direct reflection of the efforts of City Staff and moving forward the City Council's budgetary mission for the Fiscal Year.

Family Park and Recreation. In November 2023, the City was awarded a Strategic Planning Grant from the Randolph County Commissioners for \$80,000. In April 2024, the City Council awarded WithersRavenel the contract to complete a systemwide Parks and Recreation Master Plan and the submission of a Parks and Recreation Trust Grant application or other funding. Their contract was for \$97,000. In June 2024, the Randolph County Commissioners awarded the City an additional \$25,500 to cover the cost gap in funding and marketing for this project. The Parks and Recreation Master Plan will be completed in the third quarter of Fiscal Year 2024 – 2025.

Business Recruitment: The City Staff have been actively working on recruiting a grocery store and supporting retail around the anchor store. The City Staff will continue their efforts in the coming Fiscal Year. The City entered a contract with the Archdale – Trinity Chamber of Commerce to assist with marketing and economic development efforts. The Chamber has assisted with the construction of marketing brochures for sites that are available for commercial development. City Staff will continue to develop partnerships with entities and developers to those sites that are shovel ready. **Ongoing.**

Fiscal Year 2023 – 2024 State Funding Allocation: In April 2023, the City submitted a local funding request letter to Representative Brian Biggs for over \$10.5 million worth of projects. In November 2023, the City was awarded \$4.5 million for infrastructure projects. In January 2024, the City Council approved allocating these funds as gap funding for the Interlocal Sewer Connection Project with High Point.

Sewer Expansion Study: In August 2024, the City Council awarded the sewer expansion study to Davis Martin Powell. This study would look at the possible areas that sewer could be extended, number of households that would be served, cost and mapping. This project will be completed in April 2025. City Staff will use this study to make formal recommendations to extend sewer to other areas of the City.

Asset Inventory Assessment (AIA) Grant: In September 2024, the City submitted an Asset Inventory Assessment (AIA) Grant from the State of North Carolina. In February 2025, the City was informed that we were going to receive the full \$150,000 AIA Grant allocation. This will require that the City provide a \$30,000 match that can be in the form of cash or in-kind services.

Solar Radar Trailer: In Fiscal Year 2024 – 2025, the City Council allocated funding to purchase a Solar Radar Trailer to address the issue of speeding in certain portions of the City. In September 2024, the City Council approved the purchase of the solar radar trailer. In January 2025, the solar trailer was delivered and put in operation in February 2025.

Fiscal Year 2025 – 2026 Goals

During February 2025 Council Retreat, the City Council established a list of goals for the upcoming budget year. The following is a brief overview of those goals.

Focus on Infrastructure and Expanding Sewer Service: In March 2025, the City was awarded an Asset Inventory Assessment (AIA) grant for \$150,000. It will require a \$30,000 funding match from the City that can be in the form of cash or in-kind services. In April 2025, the City will complete a Sewer Expansion Study that was completed by Davis Martin Powell. The City Staff will use both studies to provide recommendations for future sewer expansion within the Trinity City Limits.

Furthermore, City Staff will work with WithersRavenel to secure other grant funding for this project and future phases.

Parks and Recreation Funding: In April 2025, the City will complete and approve the Parks and Recreation Master Plan. The City will move forward with a Parks and Recreation Trust Fund application for \$500,000 that will be used to construct the first phase of the park. City Staff will seek other funding to cover the construction of the parks as well. Furthermore, the City will need to continue to seek funding for the development of the greenways and trails for the entire project. This could be a joint effort between the Randolph County Schools. The greenways and trails would be an additional benefit for the Trinity High School Cross Country Team. Furthermore, the Grubb YMCA has stated that they would be willing to assist with the programming of activities for the park.

New Multipurpose Building for City Council Chambers: The current Council Chambers is comprised of three construction trailers that were donated to the City over 20 years ago. As the City continues to grow, there is a desire to have a multipurpose structure that can be used for City Council meetings and other events. As the City Staff grow, there will be a need for additional office space as well. The propose multipurpose building would also be an integral part of the new park facilities at the City Hall Annex. Also, the park will include a Veterans Memorial as the focal point of the project.

Sidewalks and Crosswalk near Trinity Elementary School: Trinity Townes is comprised of 117 townhomes that is located across the street from Trinity Elementary School and within a mile from Trinity High School. It would be beneficial to have sidewalks and crosswalks installed to provide opportunities for the parents and students to be able to walk to those schools. City Staff will explore the opportunities to apply for a Safe Routes to School Grant and other funding to install sidewalks and crosswalks from the North Carolina Department of Transportation.

Fire Hydrants Installation Study. The Guil-Rand Assistant Fire Chief has stated that the installation of fire hydrants would improve the fire rating and insurance for those homeowners who are in areas that do not have fire hydrants. It was his recommendation that we look at installing fire hydrants at 1,000 feet apart. City Staff are requesting that the City Council allocate funding to conduct a study for the new fire hydrants.

Interlocal Sewer Connection with the City of High Point Summarization: The City is moving forward with this project. All easements for this project were secured in the third quarter of Fiscal Year 2023 – 2024. The bid packet for this project was approved in April 2024. The bid packet was released in May/June 2024. The project was awarded in September 2024 to Temple Construction. The projected completion date is December 2026.

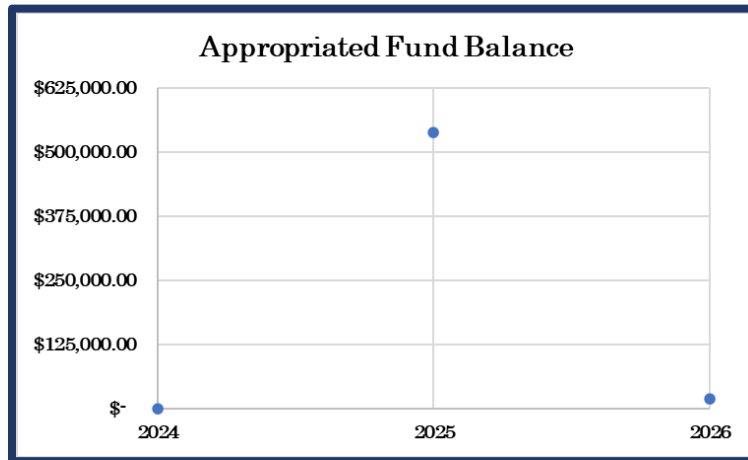
The overall budget reflects a decrease of \$135,518 (2.45%) for both the General Fund and Sewer Fund when compared to the 2024-2025 Fiscal Year Budget (\$7,634,366) versus 2025-2026 (\$7,498,848). The General Fund Budget will be \$4,466,840 and the Sewer Fund Budget will be \$3,032,008. This can be analyzed as follows:

General Fund Summary

In Fiscal Year 2025-2026, the proposed General Fund budget is \$4,466,840 and reflects a decrease of \$175,175 (3.78%) compared to Fiscal Year 2024-2025 with no changes to the City current tax rate. This is due to the following:

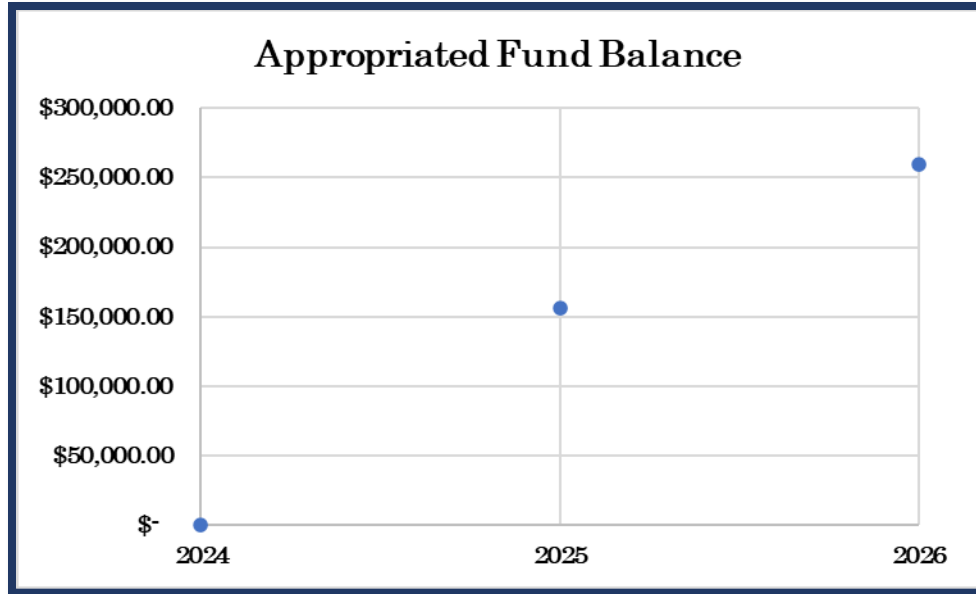
- There are no obligations to Randolph County Board of Elections
- Decrease the cost of our leasing contract
- There are no major buildings, repairs or renovations
- Decrease in contracted services
- Decrease in General Fund Transfers

There will be a proposed Fund Balance appropriation of \$20,185 for Fiscal Year 2025-2026 versus an appropriation of \$538,181 from the Fiscal Year 2024-2025.



Sewer Fund Summary

The proposed Sewer Fund is \$3,032,008 and reflects an increase of \$39,657 (1.37%) when compared to the Fiscal Year 2024-2025 Budget of \$2,992,351 versus the Fiscal Year 2025-2026 Budget of \$3,032,308. There is a Net Position appropriation of \$260,200 for Fiscal Year 2025-2026 versus no appropriation from the prior Fiscal Year 2024-2025.



Summarization

The City Staff has dedicated resources to addressing each of these priorities. We have included each in the proposed Capital Improvement Plan with estimated budget amounts and the Fiscal Year that the priorities will be addressed. The City Staff will work with our local, state, and federal partners to achieve all these priorities. Furthermore, we will seek grant funding and opportunities to partner with other agencies to achieve those goals.

In conclusion, I would like to thank the City’s Management Team for their commitment to addressing the needs of the City Residents. I would especially like to thank Finance Director Crystal Postell and Payroll Administrator Lisa Beam for their work making sure that the numbers within this proposed budget are balanced. Therefore, it is my pleasure to submit to the City the Proposed Budget for Fiscal Year 2025 – 2026.

Recommendation:

The City Manager requests that the City Council HOLD a public hearing on the proposed Fiscal Year 2025 – 2026 Budget and incorporate any changes to the budget. At the conclusion of the Public Hearing, the City Manager recommends that the City Council move forward with approving and adopting the Proposed Fiscal Year 2025 – 2026 Budget.