

**North Wilkesboro Board of Commissioners  
Budget Workshop  
Tuesday, April 13, 2021  
10:00 AM – 5:00 PM**

**North Wilkesboro Police Department Training Room  
801 Main St.**

**Zoom online platform:  
<https://us02web.zoom.us/j/83354940732>**

**And YouTube:  
<https://www.youtube.com/channel/UC7NdWfFjwMjbLuarfqHDemg>**

THERE WERE PRESENT:            Robert L. Johnson, Mayor  
   Andrew Palmer, Commissioner/Mayor Pro-Tem  
   Angela Day, Commissioner  
   Debbie Ferguson, Commissioner  
   Bert Hall, Commissioner  
   Michael Parsons, Commissioner

ALSO PRESENT:                    Wilson B. Hooper, Town Manager  
   Debra Pearson, Town Clerk  
   Meredith Detsch, Town Planner  
   Finance Officer Connie Bauguess  
   Public Services Dir. Dale Shumate  
   Utilities Supervisor David Webb  
   Interim Police Chief Rob Thornburg

**CALL TO ORDER**

**Mayor Johnson called the meeting to order at 10:00 a.m. and delivered the Invocation. Mayor Johnson asked Interim Chief Rob Thornburg to lead us in the Pledge of Allegiance.**

**III. Agenda Review** – Wilson Hooper- Town Manager Wilson Hooper greeted the Board Members and staff and welcomed all to the 2021 Budget Retreat. The following items were discussed at length and will be included in these minutes

**IV. Review and Clarify Board Priorities** – Wilson Hooper, Board of Commissioners- Water System is the first on the list of priorities.

- Board is asked to identify and pursue steps to protect the town's water supply from drought. We will ask for State assistance to help fund an engineering assessment on how to physically/chemically connect systems.
- Next is police and fire facilities. Staff will work to find an economical solution to replace or update the town's current public safety facilities.

- Traffic calming- Develop a plan to reduce traffic volume and speed on in-town streets. Test different traffic calming options. Install appropriate permanent traffic calming measures.
- Paving and stormwater infrastructure deficiencies will be addressed. Where it is possible, complete projects to fix, maintain or enhance the street and stormwater systems.
- Lastly, discuss beautification/streetscapes to identify small projects that make the town more physically attractive.

Town Manager Hooper asked the Board if the items listed in area IV. “Review and Clarify Board Priorities” were something they were interested in discussing, and they answered yes to all topics.

Manager Hooper turned to the budget and began with going over the agenda Items IV. Through X. that staff and the Board would discuss. ARP dollars are to be used to make up for lost revenue that presumably will come back. Next year, with no more ARP dollars and we’ve not recovered, we will have to look to other resources/funds. Use relief dollars for the purpose they are intended for. We will have fund balance money and money in other reserves. Page 1 green column revenue is the same with exception of ARP dollars. Looking at page 3, that number is \$430,500. Total is approximately \$7M to date.

The conversation turned to hiring an assistant to planning department. Page 13/Appendix 5. Meredith’s request for her department is \$68,475.00 for an additional planner. This year, \$265,000.00 has been budgeted. Commissioner Parsons questioned the need for that amount as Code Enforcement has been outsourced to N-Focus. “Tell Meredith to hang in there and we’ll try here again next year”. Commissioner Day stated that she felt Planner Detsch could use the assistance and had asked for a second planner 4 years ago. She said she feels there is a need and that the Planning Department “grows the town”. Commissioner Parsons suggested a combo position to help both Meredith and Wilson. We will have an extra staff person in office to help beginning possibly in August. Town manager Hooper stated “we are looking for help for Meredith but not to the extent she is in need of”. We will see if this helps with efficiency. Commissioner Parsons asked “if we live within the Green column world we’ll make it”? Finance Director Connie Bauguess said “with ARP money we can make it, without it we would be taking items off the budget”.

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Town Manager Hooper asked the Board to look at page 15....Advertising. Commissioner Parsons asked about the budget dollars Tourism Director Crystal Keener oversees. \$8000. per year for website maintenance? Town Manager Hooper reports we are using only a fraction of the capacity of the current website. It is simple to use and maintain. Commissioner Parsons says the website is not user friendly. He also questioned \$31K for advertising and promotions. He asked “who oversees what she spends this on”? According to Commissioner Parsons, feedback from several people say we are not maximizing and promoting the Town and not getting a good return. He would like more information on the company Tourism Director Keener uses for advertising, billboards, etc. Commissioner Palmer doesn’t think the radio advertising he has heard is in line with the image we are trying to convey. Commissioner Palmer also stated the current budget of \$30K is not that much money. Commissioner Day would like to see a committee to decide where and on what to spend advertising dollars on. She also stated the billboards she has seen promoting North Wilkesboro are placed outside of town coming from Boone, NC and outside of town coming from Yadkinville. She thinks they may be placed a bit too far out. Commissioner Day said she would like to have Tourism Director Keener present her ideas and plans for using these funds. Commissioner Ferguson suggested having Thomas Salley with Wilkesboro Tourism speak to the board on how they operate and utilize advertising dollars.

Going to the Public Buildings Maintenance and Repair portion of the budget, the town garage has new money requests, asking to change a part-time position to a full-time position. Staff did not recommend the change however. Commissioner Ferguson asked to be reminded what a separation allowance is. Finance Officer Bauguess explained this is for Police Officers aged 55 or with 30 years of service, state mandated based on salary when they leave that position. Commissioner Ferguson also asked about budgeting for a full time Fire Chief. A full time Fire Chief would be a plus in her opinion.

Utilities Director David Webb, and Public Services Director Dale Shumate joined the meeting. At the beginning of the meeting the discussion began with the current water supply situation. Town Manager Hooper stated the modest increase in rates has provided a cushion. There is a deficit in the water fund due to the town's main users not having used the normal amounts last year and many household users not paying monthly fees. Many businesses were closed or not operating at capacity due to the pandemic. The town extended cutoffs three to four months longer than required before issuing cutoffs of water. One positive is this is the last year of payment to the Kerr Scott Lake Intake Study.

Directors Webb and Shumate report the town did not dredge the Reddies River last year but we did drain the dam and remove silt. Commissioner Parsons asked if the town could use a local business to remove the sand but that business states there is too much sediment to be useful to them.

The water and sewer departments plan to replace their utility trucks. At this time there is \$261K in the Contingency Fund Budget. There is discussion on where to lease or buy these vehicles. The lifespan on these vehicles is around 10 to 15 years. Leasing would cost around \$15K each vehicle per year compared to \$60K each vehicle to purchase.

**V. Budgeting Principles – Wilson Hooper and Connie Bauguess- Town Manager**  
Hooper wishes to highlight principals that staff used to direct their work in compiling an initial budget draft. These principals are intended to take pressure off the operating budget while still practicing stewardship in the use of other resources.

Staff utilized the following principles when putting together the draft budgets:

- No tax increases
- No using one-time revenues for continuing expenses (exception CARES/ARP)
- Comply with requirements of CARES and ARP funds
- Not budgeting fund balance, but instead appropriating it as needed
- Where possible, pay for expenses with reserve funds in current year rather than budget them in new fiscal year (see section IX)
- Budget a contingency if possible

## **VI. Water/Sewer Budget**

- a. Revenue
- b. Expenses
- c. Future Needs/CIP
- d. Rate proposal/analysis

The purpose of this discussion is to look at the spending plan for town's Water/Sewer enterprise including operational and capital needs, to review future expenses, and possible sources of funds for those expenses, and discuss adequacy of rates.

*See Attached Documents:* Appendix 1 – Draft budget  
Appendix 2 – CIP  
Appendix 3 – WS Project To Pay for With Reserves

### **VIII. Introduce General Fund Budget**

Purpose of the introduction to the General Fund Budget is to receive projections for major General Fund revenue sources. Review departments' initial "all-in" requests (yellow column), and their request for additional dollars.

Introduce General Fund budget

- a. Review of normal revenue sources/receive projections
- b. Review of "all-in" budget request
  - i. Summary of new money requests (aka SLCs)

*See Attached Documents:* Appendix 4 – North Wilkesboro GF Revenue Projections  
Appendix 1 – Draft budget  
Appendix 5 – Summary of new money requests (SLCs)

### **IX. Proposal to Fund Projects Outside Normal Budget Using Current Resources**

The purpose of this proposal is to consider tapping into available reserve funds to pay for priority projects, in the current year where able, to reduce strain on FY21-22 operating budget. Review list of projects proposed to be funded in this manner. Proposal to fund projects outside normal budget using current resources

- c. Review of available pots of money
- d. b. Review of eligible projects/expenses
- e. c. Recommended appropriations

*See Attached Documents:* Appendix 6 – North Wilkesboro General Fund Other Sources of Funds  
Appendix 7 – GF Projects to Pay for With Current Pots of Money  
Appendix 8 – CIP

## **X. Continue General Fund Budget**

For the purpose of reviewing the adjusted draft budget, which doesn't include the projects covered in the last section. Review and consider requests for funding from area non-profits.

- a. Review of adjusted budget minus projects/expenses funded with current year funds
- b. Analysis of proposals not included
- c. Special appropriations

*See Attached Document:* Appendix 1 – Adjusted budget (green column)  
Appendix 9 – FY21-22 Non-Profit Requests

Commissioner Ferguson stated she seems to remember a guideline that Ed Evans drew up when he was here to go by to help determine the criteria to follow when granting requests to non-profit organizations. Discussion was held on each organization. Commissioner Ferguson says the Art Gallery is critical. Their request is for \$12,000. Finance Officer Connie Bauguess reminded the group that the town spent \$30,000. last year for a roof on the building. \$6,000. is the agreed amount. The Wilkes County Library and the Greenway are favorable with the board. Commissioner Day does not think giving \$5000. to WCC serves the Town of North Wilkesboro as the Skills Program does not benefit or serve Wilkes County kids only. Going back to the Library, Commissioner Ferguson is in favor of giving the Greenway \$7500., and keep the Wilkes County Library at \$5000. Last year we gave the Wilkes Playmakers \$5,000., this year they are asking for \$25,000. will receive \$5000. Wilkes County Crime Stoppers will receive \$500.00 ADAP will receive \$500. A brisk discussion by the Board was held on each of the non-profits' request for funds. Commissioner Parsons stated that the EDC is a very important component in our community and the burden of the costs of the elevated water tank on North Wilkesboro citizens were eased by funds of others in North Carolina. This came with the EDC's help. Commissioner Palmer said all of the non-profits were worthwhile and wishes all could be helped. The following is a complete rundown of contributions going to these non-profit organizations:

- WILKES ADAP \$1500.00
- WILKES ART GALLERY \$6000.00
- WILKES EDC \$50,000.00
- WILKES COUNTY LIBRARY \$5000.00
- YADKIN RIVER GREENWAY \$7500.00
- WILKES DEVELOPMENTAL DAY SCHOOL \$5000.00
- WILKES COMMUNITY COLLEGE \$5000.00
- WIKES RESCUE SQUAD \$1500.00
- WILKES COUNTY CRIME STOPPERS \$500.00
- WILKES PLAYMAKERS \$5000.00

Total FY 2021-2022 requests for contributions were \$129,500.00. Contributions made total \$87,000.00.

Manager Hooper read a letter from Gene Hefner, Executive Director with Wilkes Literacy Program in reference to a grant application.

### **XI. Adds/Deletes**

The purpose of this activity is designed to let individual Commissioners propose line-item changes to the draft budget. It is recommended that any add have a corresponding delete, so that the budget stays in balance. Adds without a corresponding delete should propose a revenue/funding source. The Town Manager will ask the Board to vote on individual adds/deletes at the conclusion of the exercise. Town Manager Hooper says funding for these improvements could come from any of our existing resources.

The items the Board touched on as additions began with Commissioner Ferguson commenting on the Beautification Program. She stated she would like to see more flowers, rocks and shrubs added to town landscape areas, more planters on the streets, and improvements made to the hillside below the North Wilkesboro Town Park. She added she would like to see another intersection improvement. Trees have recently been planted behind the old Priestler's Clothing Store. These replace ones destroyed by high winds a few years ago. Town benches are showing wear and some are in need of replacing. It was asked that new benches be priced.

The deletes consist of adjustments to the non-profits list. Manager Hooper asked if there were any other items for the add/delete discussion.

Lighting in the bathrooms at Smoot Park is one other thing to add to the "adds" list, and has been requested. The Girl Scouts have requested they be allowed to paint murals on the picnic tables there in the park as well. Commissioner Palmer said there were some outdated play equipment and structures that needed to be removed like for example, the dilapidated concrete mushrooms. Commissioner Ferguson said that bathrooms in the park are critical. She also said that parents bring children to the park, sometimes grandparents, and they need a place to sit while the children play. Right now there really aren't any places to sit. Lastly, the basketball courts are in need of repair. Town Manager recommends \$35,000. from capital funds to go towards improvements to Smoot Park. This will be added and presented in the final budget.

The subject of Demolition Bonds was brought up by Commissioner Palmer. Town Manager Hooper says it important to evaluate the fees we charge for services. We need to make sure the fee the town charges will cover what we are covering. Currently the fee for a demolition bond is \$500.00. If a project costs \$50,000 to complete there needs to be "bond" insurance for that amount in case something happens and project is not completed, the town would not be left with the demolition costs. A table of fees will need to be set. This might be done by the time to approve the FY 21-22 Budget. Manager Hooper suggested staff also needs to evaluate the fees we charge for services to ensure they are fair. Two parts of our ordinance say the cost of a bond is \$500.00, and the table of fees says a bond must be equal to the cost of the project. This needs to be adjusted. This could possibly be done and added to the current budget.

**XII. Summarize-** Some of the items to continue to work on are: ARP for Housing, spent in town. Andrew wants more info on the outdoor economy, and an analysis of Police compensation. Other items are the Marking Program info, a look at a reformatted Fire Department. Beautification projects and Smoot Park improvements. The Board shared some very good ideas and commented that they want to do what is right and in the best interest for the citizens of the town. Town Manager Hooper stated that the budget will be adjusted with the new numbers and made ready for a final review by the Board. A call for a Public Hearing may come at the Commissioner's Regular Board Meeting June 8, 2021 and possibly an approval of the budget at that time.

**XIII. Adjourn-** With no other items, ideas or concerns to share within the group, Mayor Johnson thanked the Board and staff for their attendance, thoughts and ideas they brought to the meeting. Mayor called for a motion to adjourn. **The 2021 Budget Retreat adjourned at 4:35 p.m.**

APPROVED: \_\_\_\_\_

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Debra W. Pearson, Town Clerk

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Robert L. Johnson MAYOR