

# TOWN OF NORTH WILKESBORO



**Supplemental Spending Plan  
Using One-time, Limited-duration, or Reserve Fund**

**Presented May 4, 2021**



## Town Of North Wilkesboro

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May 4, 2021

Honorable Mayor and Commissioners,

Please accept this document as a supplement to the proposed FY21-22 town budget that I've submitted to you separately. This document contains my proposal for investing in some of our priorities through the responsible use of one-time dollars, limited-duration dollars, or reserve funds. Doing so will enable us to move forward without burdening our FY21-22 spending plan.

We are able to do this because, despite the worldwide economy being turned on its head during the pandemic, we saw several influxes of capital during calendar years 2020 and 2021:

- The Coronavirus Aid, Relief, and Economic Security (CARES) act sent us approximately \$360,000 in fall 2020 to reimburse us for expenses related to the purchase of PPE, a relief program for local small business, and salaries for our essential public safety personnel. With the exception of the \$30,000 donated to the EDC's small business relief programs, these funds offset funds already budgeted, therefore freeing up around \$335,000 for other purposes.
- The sale of 910 Main St. and the Old Elks Lodge property brought the town \$267,000 in cash to spend as we see fit. The Real Estate Disposition Policy states that proceeds from the sale of properties should go into the GF Capital Reserve Fund, but I am proposing something different here. Please note that the disposition of these properties will appear as a net loss on our next audit due to the fact that we spent money renovating the properties in past years. The sale of the town's surplus sanitation truck also netted us \$13,300.
- A refund of a little over \$31,000 from the State of North Carolina for overpayment of our leftover liability for design expenses from the Kerr Scott project.
- \$615,000 in American Rescue Plan (ARP) dollars are expected in May 2021. These dollars are intended to offset lost revenue or otherwise give relief to municipalities suffering from the effects of the pandemic on the economy.

In addition, the town has a number of pots of money held in reserve for special projects or emergency use:

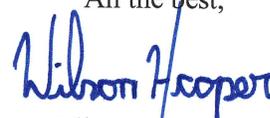
- The General Fund Capital Reserve Fund has a current balance of \$341,872. This money is available for general use, though previous Boards have designated portions of it for specific purposes.
- Three GF capital project funds exist and are still open:
  - Fire Station building project has a current balance of \$127,000
  - Neighborhood streetscapes project has a balance of \$20,792
  - Building rehab and condemnation has a balance of \$102,876

Many of the projects I propose funding with these dollars were requested by the departments in their initial FY21-22 budget submittals. Their inclusion in that document put our initial budget draft several hundred thousand dollars in the red. We would not have been able to afford them if we'd funded them in that way. Others were requested specifically by you, the Board of Commissioners. Likewise, those requests would have had added significant pressure to the FY21-22 budget.

This document contains several appendices:

1. A table listing each project, its estimated cost, the recommended source of funds to pay for it, what Board priority it helps accomplish, and the fiscal year it will likely be executed.
2. A document containing a brief written description of each project.
3. A table listing the balance of each source of funds after the proposed action is taken.

All the best,



Wilson Hooper  
Town Manager

**PROJECTS TO PAY FOR WITH ONE-TIME, LIMITED DURATION, OR RESERVE FUNDS  
(May 2021)**

PROJECT	AMOUNT	SOURCE	PRIORITY AREA	STATUS	FISCAL YEAR	ACTION	NOTE
Splash Pad Completion	\$100,000	FY20-21 Contingency	N/A	Concept approved	Current	Budget Amendment 5/4/21	
9 <sup>th</sup> St./C St. Milling and Repaving	\$100,000	FY20-21 Powell Bill	Paving/Stormwater	Concept approved	Current	Housekeeping Budget Amendment 5/4/21	
Toll Rd. Sidewalk Repair	\$15,000	FY20-21 Powell Bill	Paving/Stormwater	Concept approved	Current	Housekeeping Budget Amendment 5/4/21	
Main St. Alleyway Improvements	\$5,700	Tourism Dept. Savings	Beautification	In Progress	Current	N/A	
New Benches	\$5,000	Tourism Dept. Savings	Beautification	In Progress	Current	N/A	
Christmas Light Update	\$4,550	Tourism Dept. Savings	Beautification	In Progress	Current	N/A	
Fire Dept. Turnout Gear	\$105,000	CARES offset funds	N/A	Proposed	Current	Budget amendment when ready to spend	Only necessary if FEMA grant not awarded
Grant Pool	\$40,000	CARES offset funds	N/A	Proposed	Current	Earmark within GF Capital Reserve Fund	
Essential Workers 1-Time Bonus	\$75,000	ARP FY20-21 tranche	N/A	Proposed	Current	Immediately pay upon receipt of ARP funds	
Housing Set Aside	\$120,000	ARP FY20-21 tranche	N/A	Proposed	Current	Earmark within GF Capital Reserve Fund	Must spend by December 2024
Water System Study	\$30,000	Kerr Scott refund/unused revenue	Water System	Proposed	Current	Put refund in current year operating via Budget Amendment 5/4/21. If not spent in current year, let roll into Retained Earnings. Budget amendment when ready to spend.	Uncertain about when study will be completed/paid for.
Police and Fire Station Design	\$75,000	GF Capital Project Fund (Fund 63 – Fire Station Building Fund)	Police/Fire Facilities	Proposed	Next	Budget amendment when ready to spend	
Traffic Calming	\$20,729	Neighborhood Streetscapes Capital Project Fund (Fund 64)	Traffic Calming	Proposed	Next/Future	Budget amendment when ready to spend	
Jenkins Whse Brownfield Project	\$100,000	GF Capital Reserve Fund and Building Rehab and Condemnation Capital Project Fund (Fund 26)	Beautification	Proposed	Next/Future	Budget amendment when ready to spend	
Aerial Fire Truck <sup>(with grant)</sup>	\$267,000	Sale of Properties	Police/Fire Facilities	Proposed	Future	Let proceeds roll into unrestricted Fund Balance with the intention of saving for fire truck. Budget amendment when ready to spend	
Aerial Fire Truck <sup>(without grant)</sup>	\$1.3M	Sale of Properties, Fire apparatus portion of GF Capital Reserve Fund, ???	Police/Fire Facilities	Proposed	Future	Let proceeds roll into unrestricted Fund Balance with the intention of saving for fire truck. Budget amendment when ready to spend	An additional funding source will need to be identified if we don't win FEMA funding

## Glossary

**Splash Pad Completion** – To complete the Smoot Park splashpad as instructed by the Board of Commissioners on [DATE] using a new contractor. Construction likely to start in May, with an estimated completion date of [DATE]

**9<sup>th</sup>/C St. Milling and Repaving** – A project to take up old asphalt on 9 St. (from Main to D St.) and C St. (from 9<sup>th</sup> to CBD) and replace with new asphalt. Road striping will be added shortly after the new asphalt is laid.

**Toll Rd. Sidewalk Repair** – To repair a portion of sidewalk along the 700/800 block of 8<sup>th</sup> St/Toll Rd. that is failing to do subsidence along the side of the road. The failing sidewalk is a hazard for pedestrians.

**Main St. Alleyway Improvement** – A project to make the breezeway behind 917 Main St. more attractive for visitors and residents. These kinds of improvements to outdoor spaces have been popular during the pandemic as a place for patrons to have coffee/eat lunch while restaurants had capacity restrictions. The Town won a small grant to have the design for the improvements created gratis by design students at UNCG. The proposal calls for a facade update by adding windows, cleaning up planters, adding lights, and new seating.

**New Benches** – To replace aging and unattractive benches with new, painted-steel benches to improve the attractiveness and usability of the downtown area.

**Christmas Light Update** – Purchase new commercial Christmas lights/decorations for downtown. Possibly lighted spheres for the trees on Main and or skyline decorations that hang across the street.

**Fire Department Turnout Gear** – The jackets, pants, hats that NWFED personnel use are reaching the end of their useful life. This gear protects firefighters, but also wins points for the department on the ISO scale. NWFED has applied for a FEMA grant that, if received, will cut the town's contribution down to around \$5,000

**Grant and Loan Pool** – A single pot of money to cover awards for all town grant programs except one (façade grant). Money will be released via budget ordinance when an applicant is awarded a grant on a first-come first served basis. The amount made available for grants and loans is increased due to two new grants going into effect on July 1: the Small Business Incentive Grant, and the yet-to-be-named renovation grant for property owners subject to the new Non-Residential Buildings and Structures Ordinance.

**Essential Workers One-time Bonus** – A one-time bonus for all employees who worked essential jobs during the height of the pandemic. This includes all public safety employees (full-time, part-time, and volunteer), all public-works employees, all public-facing Town Hall employees, and all other employee who helped execute the Town's protective measures. Each full-time employee will receive \$1,040 (before tax), and each part-time employee an extra \$.50 for each hour worked from April 2020-April 2021. Volunteer Firefighters will receive \$2 extra per call for each call they responded to during the period from April 2020 to April 2021.

**Housing Set Aside** – This yet-to-be-defined program would be used to fund expenses associated with developing and creating more housing units in North Wilkesboro, perhaps the town and county's biggest obstacle towards economic competitiveness. There are a number of possibilities ranging from paying to

extend infrastructure, to sponsoring a site-plan for a potential developer, to underwriting a mezzanine loan for a developer. The stewardship of the money is also yet-to-be-determined. Wilkes EDC could govern it, or we could keep it under our control.

**Water System Study** – An arrangement between North Wilkesboro, Wilkesboro, and an engineering firm to conduct a scientific analysis on how to physically combine the two towns' water systems and recommend a common water treatment process. The results of this study, if acceptable to both towns, would be used to apply for state/federal funds needed to update the systems. Combining the systems and having safe access to Wilkesboro's treated water would be a backstop for North Wilkesboro should another significant drought occur before we've figured out our raw water solution.

**Police and Fire Station Design** – For FY21-22, the goal of this project would be to settle on a location for each station (or a combined facility) and have a design firm give us a rendering of a station that fits within our budget. Simultaneously, the project would seek outside funding sources and, if appropriate, apply for them.

**Traffic Calming** – This money would likely go towards the cost of temporary traffic calming equipment (such as speed tables) to test the effect of different measures on traffic volume and speed. If the tests yield positive results, the balance of the dollars could be used to install permanent traffic calming measures (depending on their cost).

**North Wilkesboro General Fund Other Sources of Funds (as of April 30, 2021)**

<b>General Fund Capital Reserve Fund</b>		
<i>Purpose<sup>1</sup></i>	<i>Amount</i>	<i>Balance after proposed use</i>
Fire Apparatus	\$5,000	\$0
Public Buildings	\$70,000	
Major Equipment	\$76,000	
Street/Sidewalk	\$24,850.58	
Prior Year Powell Bill	\$21,021.42	
Sanitation Packer	\$0	
Recreation	\$35,000	\$35,000 (Unless needed for Outdoor Economy)
Rehab/Demo	\$40,000	\$0
Vehicle Replacement	\$40,000	
Revolving Loan (and grants)	\$30,000	\$70,000
<b><i>SUBTOTAL</i></b>	<b><i>\$341,872</i></b>	

1 - These allocations were set by the Board, and can be revised and reallocated by the Board as well.

<b>Other Sources of Money in the General Fund</b>		
<i>Source</i>	<i>Amount</i>	<i>Balance after proposed use</i>
Total Fund Balance	\$5,859,462	
--Unrestricted	--\$4,381,440	
CARES Act offset <sup>2,3</sup>	\$335,000	\$190,000
ARP FY20-21 tranche <sup>4</sup>	\$615,000	\$420,000
Sale of properties <sup>2</sup>	\$267,000	\$0
Sale of surplus sanitation truck	\$13,300	\$0
FY20-21 Powell Bill (restricted)	\$140,000	\$0
FY20-21 Contingency fund	\$101,250	\$1,250
<b><i>SUBTOTAL</i></b>	<b><i>\$5,712,990 (unrestricted)</i></b>	<b><i>\$5,442,690</i></b>

2 – Assuming no operating deficit at the end of FY20-21

3 – \$30,000 already spent on Business Recovery Fund

4 – Some restrictions here

<b>General Fund Capital Project Funds</b>		
<i>Project</i>	<i>Amount</i>	<i>Balance after proposed use</i>
Fire Station Building Project (63)	\$127,000	\$52,000
Neighborhood Streetscapes	\$20,729	\$0
Building Rehab and Condemnation	\$102,876	\$42,876
<b><i>SUBTOTAL</i></b>	<b><i>\$250,668</i></b>	<b><i>\$94,876</i></b>

<b>Other Sources of Money in Water/Sewer Fund</b>		
<i>Source</i>	<i>Amount</i>	<i>Balance after proposed use</i>
Retained earnings (unrestricted)	\$3,683,393	
Water/sewer Capital Reserve Fund	\$369,998	
Actiflo Capital Project Fund	\$681,650	
Water Tank Capital Project Fund	\$2,977,661	
Kerr Scott Refund (FY21)	\$31,518	\$0
Budgeted Kerr Scott Payment (FY22)	\$156,786	\$0