



City Council Meeting
Mebane Municipal Building
Special Meeting-Budget Planning Session
Monday, March 10, 2015

The Mebane City Council met for a special meeting at 4:00p.m. on Tuesday, March 10, 2015 at the Municipal Building located at 106 E. Washington Street for the purpose of a budget planning session.

Council members Present:

Mayor Glendel Stephenson
Mayor Pro Tem Ed Hooks
Councilmember Jill Auditori
Councilmember Tim Bradley
Councilmember Patty Philipps
Councilmember Everette Greene

Also Present:

David Cheek, City Manager
Chris Rollins, Asst. City Manager
Stephanie Shaw, City Clerk
Jeanne Tate, Finance Director
Dean Ray, Recreation and Parks Director
Wayne Pore, Public Works Director
Terrence Caldwell, Police Chief
Esther Bennett, HR Director
Ray Smith, IT Coordinator
Dennis Hodge, WWTP Director

Mayor Stephenson called the meeting to order.

Mr. Cheek began the meeting by asking the Council to weigh in on what kind of legacy, as a Council, they would like to leave to the community. Council mentioned several items including a good quality of life, affordable living, a strong infrastructure and a beautiful, safe, livable city. Mr. Cheek stated this type of discussion helps staff during the budget process because it provides direction.

Mr. Cheek spoke about past incentive projects and their impact on Mebane's tax base, reflecting growth in the City's tax revenue. He talked about a five year financial perspective and the City's financial future. He explained that the City will see a decrease in debt payments and a projected increase in revenue, both incentive based revenue and normal growth in tax revenue, over the next five years. Council was assured that Mebane's financial outlook is strong.

Mr. Cheek reviewed the Recreation Master Plan showing all projects desired to be completed now until 2024. The cost of completing those projects would total \$8.9 million. He stated staff would like to see efforts towards developing the community park beginning with purchasing the land.

Mr. Rollins spoke concerning the Bike and Pedestrian Plan. He stated an estimated total cost for the plan would be \$36.5 million. A breakdown of the cost shows 14 miles of sidewalks at \$1.9 million, 32 miles of trails at \$20.9 million and 33 miles of bicycle lanes at \$13.7 million. Council stated sidewalks would be their top priority followed by trails, then bicycle lanes. Should Council decide to proceed with doing the top ten in each category, as prioritized by the

committee, the cost over the next five years would be \$8.4 million. Staff stated they are looking for grants to help fund the project. Council discussed the option of appointing a committee to create a policy which would be endorsed by Council for staff to follow.

Ms. Tate talked about debt options for funding projects like the Bike and Pedestrian Plan. The two options discussed were installment financing and general obligation bonds. She provided the pros and cons of both options. Council questioned if Local Government Commission (LGC) approval is required for the discussed options. Ms. Tate replied LGC approval is required for both options. She added that Council could also decide to use the City's own money to fund projects by using monies from Fund Balance and Mebane's Fund Balance is strong enough to withstand more debt.

Mr. Cheek addressed major budget issues for the upcoming 2015-2016 fiscal year. Ms. Tate stated one of the impacts on the upcoming budget would be the loss of privilege license revenue. The General Assembly eliminated the authority to levy privilege license taxes.

Mr. Rollins stated that the City's current inspection fees remain significantly lower than both counties and staff is proposing an increase to the minimum fees and making minor adjustments to all of the miscellaneous fees. If these changes are approved, staff doesn't anticipate any big changes in the fee schedule in the years to come.

Ms. Tate spoke briefly on decreasing the minimum utility bill from the current 2,000 gallons to 1,000 gallons. She explained that this change would be beneficial to those living on a fixed income. The annual impact of reducing the minimum would be \$52,000-55,000 in revenues. Council requested that a study be completed to show justification of decreasing the bill vs. the cost of providing water and sewer service. Staff agreed to proceed with a study during the next year.

Mr. Smith discussed the technology needs of the City. He explained current projects underway and made recommendations for the upcoming fiscal year.

Mr. Cheek gave a brief update on the website redesign. He stated that the website committee decided upon a collaboration of services to be provided by Northstar Marketing and CivicPlus.

Mr. Cheek stated staff will include funds within the budget to begin implementing the new brand. Including welcome signs, way finding signs, departmental signs and vehicle branding.

Ms. Bennett gave a brief overview of the Risk Management practices that have taken place so far this year. She stated staff is preparing to bid out health, property and liability insurance. Medical insurance is proposed to increase 5%. She added that the City has done a great job in keeping their claims low.

Ms. Tate stated that the finance department will be acquiring a new accounting system because the current system will no longer be supported in 1-2 years. Preparation of records for migration and reviewing systems has already begun.

Mr. Cheek stated that public safety budget needs include but are not limited to, new personnel for the police department with related capital and equipment. Also a full year of operations for the new fire station with the hiring/promotion of captains.

Mr. Rollins spoke of the need for an updated long range land use plan. He stated that the current 10 year land use plan is out of date. The Piedmont Triad Regional Council has given a proposal to make the updates for \$50,000. It would be a nine month process and would integrate the Bicycle and Pedestrian Plan and the Master Recreation Plan. Updating the plan would address growth, preserve community character, reduce sprawl, maximize infrastructure, enhance multi-modal opportunities, assess environmental impacts and improve quality of life.

Mr. Rollins stated that the Unified Development Ordinance (UDO) needs an overhaul as well. The Piedmont Triad Regional Council has given a proposal to make the updates for \$38,000.

Mr. Rollins explained that staff is looking to contract out services to help with the abandoned property program which has been put aside due to all the new commercial and industrial projects. Those services would cost an estimated \$9,000 a year. He stated if inspections gets any busier, hiring an additional inspector may be necessary. Initially staff was requesting to hire a special projects coordinator but a planner could work with the UDO update, New Land Development Plan, Transportation Plan, future trail projects, code enforcement and grants. Staff feels a planner would fill the needs better than a special projects coordinator at a reduced salary.

Ms. Tate gave a brief overview of the five year capital improvement plan requests from all city departments totaling \$1.8 million.

Mr. Hodge highlighted needs at the Waste Water Treatment Plant. Mr. Rollins gave an update on the Efland sewer maintenance and operation as well as the NC 119 Bypass water and sewer relocation. He explained that the pump stations at Terrell Street, Farrar Lane and Third Street may need upgrades soon as residential growth continues. Additionally he spoke of the needed repairs to the Lake Michael Dam.

There being no further business, the meeting was adjourned at 6:28pm.

Glendel Stephenson, Mayor

ATTEST:

Stephanie W. Shaw, City Clerk