



C O U N C I L M I N U T E S *MARCH 21, 2023, 5:30PM, TOWN HALL*

The meeting was called to order at 5:31pm by Sessoms.

The following were present:

Council

Tim Sessoms, Mayor
 Lynne Williams DeVaney, Mayor Pro-tem
 John Doggett
 Jeff Davis
 Janelle Robinson
 Reece Walker

Staff

Scott Whitaker, Town Manager
 Dee Hall, Finance Officer
 Sarah Tibbetts, Town Clerk
 Bob Hornik, Town Attorney (remote)

APPROVAL OF AGENDA

Upon motion by DeVaney, seconded by Doggett and carried unanimously, the meeting agenda was approved.

FY2023-24 BUDGET PLANNING SESSION (priorities focus)

Whitaker reminded Council of the discussions at the 2/11 strategic planning retreat and stated the purpose of the current meeting was to focus on any requests Council had for the upcoming budget year. Council had nothing additional to add to the budget, stating they had enough on their plate at the current time to complete. Whitaker noted that the current, long-standing tax levy of 2.75 cents might not be sufficient to cover rising operational costs and suggested that he and Hall might propose a rate increase, although it was still too early in the budget process to suggest an amount. Hall added that operational costs are climbing due to inflation, and Whitaker noted several town projects and initiatives (both operational and capital) underway and on the near horizon: 1) Bandera Farms Park; 2) A&Y Greenway; 3) water (tank and transmission lines); 4) potential purchase and renovation of Laughlin; and 5) legal expenses. He spoke of the challenges of employee recruitment for two current positions and the difficulty of offering a competitive salary without creating other staff inequities and the struggle to find contractors to bid and provide quotes. Hall added that the town currently has the lowest tax rate in the state among towns within Summerfield's population group who levy a tax. Regarding a potential tax increase, Whitaker noted the desire for revenues to cover operational expenses and Council's historical reluctance to spend a significant portion of the fund balance. Whitaker relayed to the Finance Committee 3/20 that a rate increase might be proposed and members were generally receptive, but wanted more details related to the need. Hall stated the positives of a high fund balance and no debt but emphasized rising costs and expenses.

The meeting recessed at approximately 5:48pm and reconvened into open session at 5:52pm.

Council discussed a proposed tax increase with most wanting to know a timeline, how long citizens would have for input, and a specific proposed rate. While Council didn't like the general idea of raising taxes, rising costs were acknowledged by Walker and Davis. Sessoms stated that Council needed more specifics and asked that a reasonable proposal be presented at the 4/11 meeting.



PUBLIC COMMENTS RE: FY23-24 budget (limited to 3 minutes per speaker)

Don Wendelken, 3406 Windswept Drive, stated the town is a limited-services government, that citizens pay Summerfield Fire District taxes, asked that the need be listed before taxes were raised, and noted that the town had zero debt, which was a positive.

COUNCIL, MANAGER, AND/OR ATTORNEY RESPONSE TO COMMENTS

Whitaker stated that Summerfield Fire District taxes (13.1-cent total rate) go directly to the fire district and not to the town, which has a 2.75-cent rate.

FY22-23 COUNCIL BUDGET AMENDMENT #1

Hall presented a requested budget amendment for the following line items: 1) 3012301 Professional services/ Contract Legal Fees increase \$100,000.00 from \$125,000.00 to \$225,000.00; 2) 4010404 Administration/ Administration Capital Outlay/ Computer Equipment and Peripherals increase \$15,000.00 from \$2,500.00 to \$17,500.00; and 3) 1010507 Revenue/ Grants and Intergovernmental Transfers/ American Rescue Plan Reserve increase \$115,000.00 from \$586,487.00 to \$701,487.00. Hall stated the increased funds are needed in Legal Fees and Computer Peripherals due to the de-annexation threat and replacement of the town hall telephone system. Sufficient funds are available from ARPA funding. Expenses related to de-annexation are unknown, and the phone system is outdated, problematic for staff, unsupported externally, and some phones have broken components. The planned replacement system is recommended by the NCLM and it would be transferable to a future town hall, if needed. Walker motioned to approve the budget amendment as presented, the motion was seconded by DeVaney and carried unanimously.

CLOSED SESSION

Walker motioned to go into closed session to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege as provided under NCGS 143-318.11(a)(3) and to instruct the public body's staff or negotiating agents concerning the price and other material terms concerning real property as provided under NCGS 143-318.11(a)(5). The motion was seconded by Davis and carried unanimously.

DeVaney motioned to go back into open session, the motion was seconded by Doggett and carried unanimously.

OTHER BUSINESS (as needed)

Sessoms announced that the town had employed two lobbyist firms: KTS and Ward & Smith. The town had negotiated a monthly cost of \$7,500 for each firm. Walker motioned to approve the contracts as presented, the motion was seconded by Doggett and carried unanimously.

Whitaker stated the A&Y Greenway (South) contract with Kimley-Horn was not yet ready for Council consideration, but it should be at the 4/11 meeting.

Upon motion by DeVaney, seconded by Doggett and carried by a unanimous vote, the meeting was adjourned at 8:06pm.

 Tim Sessoms, Mayor

 Sarah Tibbetts, Town Clerk