



Apex Town Council Budget Workshop

Thursday, April 12, 2018

Lance Olive, Mayor
Nicole L. Dozier, Mayor Pro Tempore
William S. Jensen, Wesley M. Moyer, Audra M. Killingsworth, and
Brett D. Gantt, Council Members
Drew Havens, Town Manager
David Hughes, Assistant Town Manager
Shawn Purvis, Assistant Town Manager
Donna B. Hosch, MMC, NCCMC, Town Clerk
Laurie L. Hohe, Town Attorney

The Budget Workshop of the Apex Town Council scheduled for Thursday, April 12, at 4:00 p.m. was held in the Third Floor Training Room of Apex Town Hall, 73 Hunter Street

In attendance were Mayor Lance Olive, Mayor Pro Tem Nicole L. Dozier, and Council Members William S. Jensen, Wesley M. Moyer, Audra M. Killingsworth, and Brett D. Gantt. Also in attendance were Town Manager Drew Havens, Assistant Town Managers David Hughes and Shawn Purvis, Town Clerk Donna B. Hosch, Town Attorney Laurie L. Hohe, Communications Manager Stacie Galloway, Economic Development Director Joanna Helms, IT Director Erika Sacco, Planning Director Dianne Khin, Human Resources Director Mary Beth Manville, Public Works and Transportation Director Jose Martinez, Water Resources Director Marty Stone, Inspections and Permits Director Rudy Baker, Interim Electric Utilities Director Rodney Smith, Police Chief John Letteney, Fire Chief Keith McGee, EMS Chief Randall Heath, and Parks and Recreation Director John Brown

COMMENCEMENT

Mayor Olive called the meeting to order.

PRESENTATIONS

The Town Manager presented the draft of the budget, stating that it aligned with Council's strategic goals.

General Fund

The Town Manager stated the General Fund was balanced, although it didn't start out being so. Personnel generated most of the expenditures. The 1 ½ cents tax increase was related to the Bond. The Town Manager spoke about the use of Reserves, which were 25% above the goal of the operating

budget. We will not use nonrecurring revenues for recurring expenditures. The Town Manager stated he was sensitive to this. We were not aware that solar PV on our buildings was coming. This, and three other projects, will come out of Revenues.

Transportation Project Fund and the Recreation Subdivision Fee Fund - The Town Manager outlined the projects in these budgets and from where the funding would come.

Personnel - The Town Manager stated governing body salaries were misstated but that they are now corrected. He explained how and when Council receives pay increases. Presented were the personnel requests with explanations as to what were and were not funded. The Town Manager explained how those to be funded were selected. He spoke about the historic guideline of no more than nine employees/1,000 population. While we try to keep at that level, it will come a day when we will need to go over. We run leaner than other local governments in this area. The Mayor stated it was fine to go over that guideline if the case was solid that we needed more people to do what we need to do.

Vehicle Replacement - The Town Manager spoke about how vehicles are replaced, maintained, and bought. He explained the State contract.

Special Appropriations - The Town Manager explained how the new two year process has improved and how it works. Applications are reviewed by the Finance Committee. TRACS will not be funded this year, since their County funding has increased. The Farmer's Market doubled their request because of their expanding services. Since we are giving them free space in the parking lot, Council stated he wanted to see them rely on us less. Council stated the Market is what makes Apex what it is. Their budget is very lean. If they started to rely on us 100%, then this would be discussed. Council stated the Committee voted to fund this as requested since they bring so much to the town, and there were no negative remarks against them. The SAFEchild organization was explained. Council explained that Western Wake Crisis Ministry was funded as it was this year because of their opening a new branch which will assist the homeless.

Other Post Employment Benefits (OPEB) – The Town Manager briefly explained what this is and stated that we have been paying as we go along. Accounting standards have changed, and we need to make this stand out more in our financial statement. The Finance Department talked to the Finance Committee about coming up with a strategy to handle this situation. We want to establish an irrevocable trust to address the issue, and the Finance Committee will come back to Council with a recommended funding amount for this year. There was some discussion and questions about the fund.

General Fund Revenue - The Town Manager stated we need direction if we want to add revenue for additional projects. The Mayor expressed not wanting/feeling the need to micromanage the manager on projects if the tax rate is increased. Council expressed wanting to increase the fund to help some of the projects and positions that have been put off continually. There was discussion about public art and its possible funding. Council recommended changing the tax rate to \$0.415, a two cents increase on top of the bond increase.

MAYOR OLIVE CALLED FOR A MOTION. COUNCIL MEMBER KILLINGSWORTH MADE THE MOTION TO APPROVE THE STATED INCREASE; COUNCIL MEMBER JENSEN SECONDED THE MOTION. COUNCIL MEMBERS KILLINGSWORTH, JENSEN, DOZIER, AND GANTT VOTED IN THE AFFIRMATIVE; COUNCIL MEMBER MOYER VOTED IN THE NEGATIVE.
THE MOTION CARRIED BY A 4-0 VOTE.

Vehicle Tag Fee - The Town Manager stated the Finance Committee recommend an increase to \$20/vehicle and for all the funds to go to the Transportation Capital Reserve Fund. He spoke briefly about what other municipalities are doing

THERE WAS NO OBJECTION FROM COUNCIL TO RAISE THE COST TO \$20/VEHICLE.

Solid Waste - The Town Manager stated our contract caps with an annual 2.5% increase. The Finance Committee recommended a new rate of \$7.83/month.

THERE WAS NO OBJECTION FROM COUNCIL ON THE INCREASE.

Water and Sewer Fund

Expenditures - the Town Manager went through what was requested and what was proposed to be funded.

Revenues - The Town Manager spoke about the water rates being changed to a tiered rate. We are doing well in water, but an increase of 4.3% was recommended for sewer rates. Shown were comparisons to surrounding municipalities.

THERE WAS NO OBJECTION FROM COUNCIL ON THE INCREASE IN SEWER RATES.

Electric Fund

Expenditures – The Town Manager stated the largest purchase was naturally resale. He noted the approved personnel requests. Additionally, we listened to the recent survey and will put in more streetlights. There was a recommended change in the electric rate since our wholesale rate is going up. We also have to consider the cost of running the business. The Town Manager talked a bit out the electric study.

THERE WERE NO OBJECTIONS FROM COUNCIL ON THE TOWN MANAGER'S RECOMMENDATIONS.

Revenues – The Town Manager gave comparison statistics with Due and Wake Forest. Overall, we are in line with Duke and lower than Wake Forest.

The Town Manager stated that he would make adjustments to the budget based on what was heard in this workshop. He described the next steps which would end with the adoption of the budget – hopefully on June 5th.

ADJOURNMENT

With there being no further business and with no objection from Council, Mayor Olive declared the meeting adjourned.

Donna B. Hosch, MMC, NCCMC
Town Clerk

ATTEST:

Lance Olive
Mayor