

**MINUTES OF THE TOWN OF FRANKLIN TOWN COUNCIL
SPECIAL CALLED MEETING
BUDGET WORK SESSION
APRIL 17, 2023**

THE FRANKLIN TOWN COUNCIL held a special called meeting on Monday, April 17, 2023, at 6:00 p.m. in the Town Hall Board Room located at 95 East Main Street Franklin, NC.

1. CALL TO ORDER

Mayor Jack Horton called the meeting to order at 6:00 p.m. with the following members present: Vice Mayor Joe Collins, Council Members Stacy Guffey, Mike Lewis, David Culpepper and Rita Salain.

Council Member Adam Kimsey joined via phone.

2. BUDGET DISCUSSION

FY 2023/2024 Budget Overview

Town Manager Amie Owens presented an overview of the FY 2023/2024 proposed budget increases to include the following:

- 14.5 % Health Insurance
- 13 % Dental Insurance
- Retirement Contribution (state mandated)
 - 1.0% Law Enforcement Employee
 - .07 % General Employee
- 20 % Workers Comp and Property/Liability Insurance
- Fees from Region A, NCLM & UNC SOG
- GASB record/reporting
- Finance Director Bond requirement (state mandated)
- Unemployment Insurance Governing Board (required)
- Salary Adjustments from Compensation and Classification Study
- 10% Duke Energy utilities
- Lead and Cooper and Leak Detection requirements (Employee and equipment)

Town Manager Owens presented an overview of Council Priorities for FY 2023/2024 and requested direction on these priorities from Council:

- Potential Relocation of ABC Store
 - How much will be allocated? Where will funds come from?
- Whitmire Recreation Plan
- Sidewalk/Paving Plan
- Cost of Service Analysis (return on investment for water/sewer)
- Capital Request
 - General Fund: mutable microphones & timing system, IT switches, replacement rifles, new patrol vehicle, ¼ purchase new mower, parking lot improvements at Whitmire, assistance with fire truck purchase
 - Fire Department Fund: pumper and pumper/tanker
 - Discussion was held regarding supplementing the capital purchase of fire trucks. Vice Mayor Collins was concerned about using general funds for

the purchase when the fire department's tax revenue comes from Macon County. He feels it will set a terrible precedent and we will get less participation from Macon County. He stated the Town has never had to subsidize where Macon County should set the tax rate to cover the needs of the Franklin Fire Department.

- Council Member Culpepper was shocked at the news that the Fire Department needed new trucks. He was under the impression there were no fleet issues.
- Macon County raised Franklin Fire Tax to \$.07 last year and the proposed tax rate this year is \$.0522, which is a revenue neutral rate.
- Mayor Jack Horton stated that the preference was to see if the fire trucks could be paid from the Fire Department fund and we could revisit if the necessary Fire Tax funds aren't available.
- Council Member Guffey stated he didn't mind paying a portion from general fund but feels Macon County needs to help.
- Powell Bill: plow/spreader attachment, paving
- Water/Sewer Fund: booster station improvements, leak detection equipment, flat bed one ton truck replacement, basin level controls, EQ basin blower, WTP replacement vehicle, WWTP replacement vehicle
- Water/Sewer Retained Earnings: WTP clearwell replacement
- Remaining ARPA Funding Considerations: Allman Drive Greenway paving, Compensation/Classification implementation, assist with fire truck purchase, other projects recommended by Council
 - ARPA funds remaining are \$540,279
 - Council Member David Culpepper and Mayor Horton agreed that the ARPA funds need to be used on one-time projects not operational cost.
 - Council Member Culpepper would like to see the Allman Drive Greenway paved. He also stated he's not opposed to use ARPA funds for the down payment on the fire trucks. Finance Director Sarah Bishop stated we would need to make sure the fire trucks are received by December 2025 or the funds would need to be returned.

Discussion was had and Town Council decided to put a hold on the ABC Store. Discussion was had on the Whitmire Property and Council Member Culpepper requested to park ARPA funding for the time being. Council Member Guffey and Culpepper requested to revisit the Cost-of-Service Analysis. Council members decided to put a hold on the \$200,000 fire truck down payment until Macon County Commissioners made a decision on the Franklin Fire tax.

- Request for addition to Budget
 - Women's History Trail Committee: Landscaping/site prep for Sowing the Seeds of the Future statue (\$75,000 request)
 - The statue will be ready in June/July
 - Franklin Garden Club: flowers/planters/baskets on Main Street (\$9,000 request)
 - Gazebo square improvements
 - Mayor Horton stated to let it ride and revisit if they time comes.
 - Council Member Culpepper asked to add the Gazebo the list to talk to the Macon County Commissioners about. He would like to see if they would be willing to sale to the Town.
 - Macon Transit
 - Sound Stage

- Vice Mayor Collins would like \$10,000 to build a sound stage.
- No Wrong Door
 - Council agreed to \$10,000

Town Manager Owens stated that at this point in the budget preparation the General Fund is balanced without any appropriation from fund balance. The Fire Department fund is also balanced without fund balance appropriation. The water/sewer fund will need approximately \$800,083 from retained earnings to balance.

Town Manager Owens stated that Town is required to publish the revenue neutral rate tax rate. Town Council does not have to adopt this rate. It just needs to be published. The revenue neutral rate for FY 2023/2024 is \$0.28 per \$100 value.

Town Manager Owens added that based on the increases within the general fund, where the ad valorem tax revenues are recorded, and based on the discussion held with Town Council and department directors, and after considering items at this budget work session, it is recommended that the ad valorem tax rate be set to \$0.33 per \$100 value.

Discussion was held and the Council provided the following direction for the budget. Vice Mayor Collins instructed Manager Owens to use \$0.33 as the tax rate. Mayor Horton stated once the budget is balanced it could be presented and adjustments could be made before the budget is approved. The next budget work session is scheduled for Monday, May 15th at 6:00 p.m. in Town Hall Board Room.

3. CLOSED SESSION

- A.) Enter into Closed Session under NC General Statute § 143-318.11(a)(5) to discuss acquisition of real property by purchase, option, exchange, or lease.

Vice Mayor Joe Collins made a motion, seconded by Council Member Stacy Guffey to enter into Closed Session under NC General Statute § 143-318.11(a)(5) to discuss acquisition of real property by purchase, option, exchange, or lease. The motion carried unanimously. Vote: 5-0.

The Town Council entered Closed Session at 7:58 p.m.

The Town Council returned from Closed Session at 8:16 p.m.

4. ADJOURN

Council Member Stacy Guffey made a motion, seconded by Council Member David Culpepper to adjourn the meeting at 8:17 p.m. Motion carried. Vote: 5 to 0.

C. Jack Horton, Mayor

Nicole Bradley, Town Clerk