



Town of HOLLY RIDGE

PO Box 145 * Holly Ridge, NC 28445 * Phone (910) 329-7081 * Fax (910) 329-1593

**HOLLY RIDGE TOWN COUNCIL
SPECIAL MEETING
BUDGET WORKSHOP # 1
May 22nd. 2023
12:00 P.M.**

Mayor Jeff Wenzel called the Special Meeting of the Holly Ridge Town Council to order at 12:03 p.m. at the Holly Ridge Town Hall. Council members present were Councilman Sholar, Councilman Hines, Councilwoman Stanley, Mayor Pro-Tem Hall, and Councilwoman Bragg. Also present were the Town Manager, Heather Reynolds; Finance Director, Chuck Strickland; and Police Chief, Mike Sorg.

Invocation and Pledge

Councilman Hines gave the Invocation and Mayor Wenzel led the Pledge of Allegiance.

Adoption of Agenda

A motion was made by *Councilman Sholar* and seconded by *Councilwoman Bragg* to approve the agenda as amended. *All Agreed.*

Persons Wishing to Address the Town Council

Workshop to Review and Discuss the Proposed Fiscal Year 2023-2024 Budget

Manager Reynolds presented the proposed budget for Fiscal Year 2023-2024 for the Town of Holly Ridge and that it is balanced and totals \$6,850,242.02. The budget includes the General Fund and Powell Bill. In previous years the Mayor and Town Council have been presented with two separate options. This year staff were able to lower the tax rate by one penny, while including all requests directed by the Town Council. The Town Council may edit, remove, or add any items they deem appropriate.

Manager Reynolds gave the following information:

Highlights of the FY 23/24 budget include the following:

General Fund:

- Tax Rate lowered by one penny from \$0.35 per \$100 of valuation to \$0.34 per R100 of valuation.
- Due to the CPI increase that has been requested by the Solid Waste/Recycling Contractor and the increasing cost for Onslow County tipping fees, an increase to garbage and recycling rates are as follows: Garbage: increase to \$15.00 from \$13.00 & Recycling increase to \$5.00 from \$4.00 per month per cart. This results in an overall increase of \$3.00 per month.
- The tax value of real property for the upcoming year is estimated at \$700,000,000.00.
- This year a penny is worth \$70,000.
- A line item for fiber expenses has been added to the budget in the amount of \$12,000.00.
- There is no fund balance appropriation proposed at this time.

Departmental Requests:

- All Department Head requests are included in this proposed draft budget. A new department for Municipal Fire Services was created within the budget and is reflected as the 10-800 accounts.
- Increase the amount given to Holly Ridge Volunteer Fire Department for salaries to \$82,000, resulting in a net increase of \$15,000.
- Increase the amount given to Turkey Creek Volunteer Fire Department to \$38,000 per year.
- Continue to support JOED's Capital Campaign with our pledged \$5,000 per year over five years and contribute \$5,000 for their continued support and services, for a total of \$10,000.
- Contribution to the Greater Topsail Area Chamber of Commerce remains the same at \$2,000.
- Public Works budget includes the following items as requested: air compressor, employee lockers, laptop, storage containers, weed eaters, cones, additional truck to the lease, replacement of aging tools and equipment, filing cabinet, and painting the exterior of the maintenance garage.
- The Police Department budget includes the fitness facility, batons, and holsters, replacing two computers, and a new video server.
- This year the Community Development Department requested an additional line item for Demolition and Abatement purposes in the amount of \$10,000.00, which is reflected in the proposed budget.

Personnel:

- A 4% COLA is proposed for staff and up to 2% for Merit increases based on performance and evaluations.
- The retirement percentage increased to 14.04% for law enforcement and 12.90% for general class to be paid by the Town.

- Request for a newly created position titled Grant Writer. This position is classified as non-exempt and a grade 11. The salary is proposed as \$35,000 in addition to a percentage of successful grants awarded and executed.
- Part-time staffing for Parks and Recreation is proposed in the amount of \$47,000.00 and is included. The purpose for the additional staff is to help facilitate rentals at the Community Center and provide additional coverage for programs and events.
- Increased Christmas bonuses for each employee by \$50.00 for a total of \$200 per employee.
- A modified paygrade proposal for the Police Department is included in the amount of \$30,000.00.
- A uniform line item was added to the administration line items.

Capital Improvements:

- RMS upgrade for the Police Department in the Amount of \$10,000 is included again this year as these funds were not spent in FY 22/23
- Increase of \$37,500 to add an additional truck to the fleet for the Public Works Department.
- Two cents of the existing tax rate set aside for street maintenance and repair in the amount of \$140,000. This amount combined with the balances from the past three years totals just under \$450,000.00.
- A bond/loan in the amount of \$1,000,000.00 for the street repairs is expected to cost approximately \$126,000 per year for 10 years. The proposed budget includes \$150,000 towards a bond payment.

Parks and Recreation

- \$50,000 budgeted for the purpose of a new Christmas Tree for the Holly Ridge Hometown Christmas event. Approximately \$45,000 has been requested from Onslow County Tourism from their Capital Expenditure program.
- New LED light fixtures are included in the proposed budget for the softball field.
- \$15,000 set aside for new Town decorations for Christmas and the Liberty Festival.
- \$1,000,000.00 budgeted for the PARTF Grant. PARTF grants are a matching grant of up to \$500,000.00 and are reimbursed, therefore the funds must be expended before receiving.
- An ice machine, sound system, and projector are budgeted for the Community Center.
- \$100,000.00 included in the budget for sidewalks.
- A sponsorship expense program is built into the budget for items such as banners, picnic tables, and benches. A sponsorship program is also built into the revenue budget for events such as the Liberty Festival.

Changes to the Layout of the Budget:

To increase accountability for each department independently and track accurate expenditures, staff have reorganized some of the departments and line items.

Revenue Line Items	Description
10-330-03-0	Sponsorship Program
10-419-00-0	Fire Tax Onslow County

Administration	Description
10-420-36-0	Uniforms

Police Line Items	Description
10-510-13-0	K-9 Expenses
10-510-18-0	Equipment Leases
10-510-85-0	Potential Salary Increase

Community Development	Description
10-710-47-0	Demolition/Abatement

PB&G Line Items	Description
10-540-01-8	Fiber
10-540-02-5	Shooting Range
10-540-03-7	Morris Landing
10-540-03-8	Pole Upfit for Decorations

****PLEASE NOTE****

- **Public Buildings and Grounds have been separated into three categories: Administration/General includes Town Hall, Public Works, Right-of-Ways, Town signs and flower beds.**
- **Police Department includes Shooting Range**
- **Parks and Recreation includes Community Center, Softball field, Playground, restrooms, Morris Landing Pier, and Morris Landing Restrooms.**

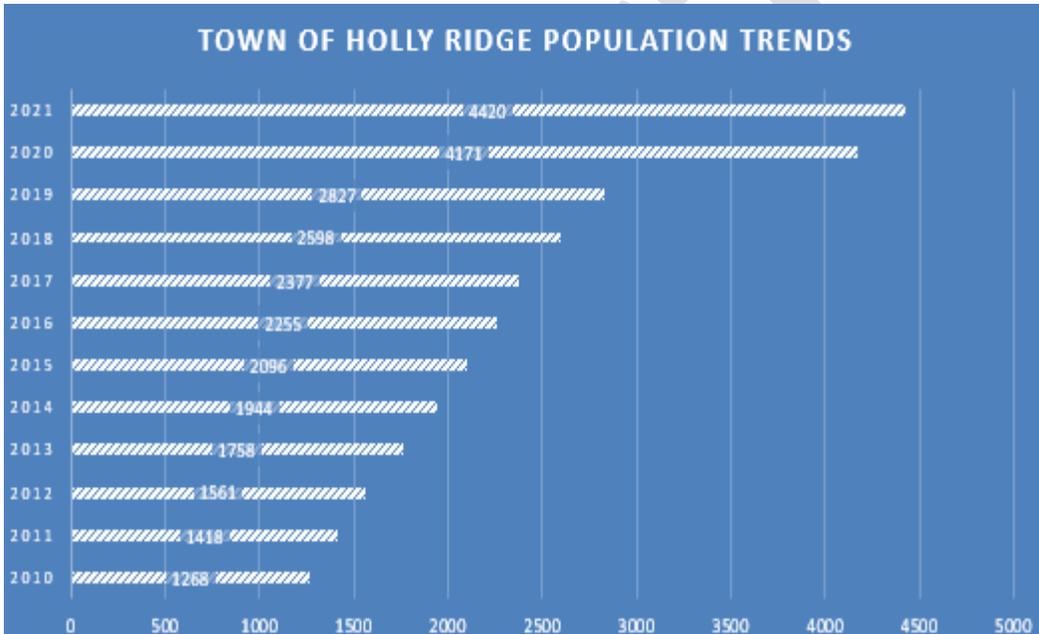
Parks & Rec Line Items	Description
10-620-74-1	Sidewalks
10-620-91-0	Sponsorship Program
10-620-91-1	Liberty Festival
10-620-91-2	Hometown Christmas
10-620-91-3	Easter
10-620-91-4	Summer Events
10-620-91-5	Veteran's & Memorial Day
10-620-92-1	Summer Camp Salaries
10-620-92-2	Summer Camp Cleaning
10-620-99-0	PARTF

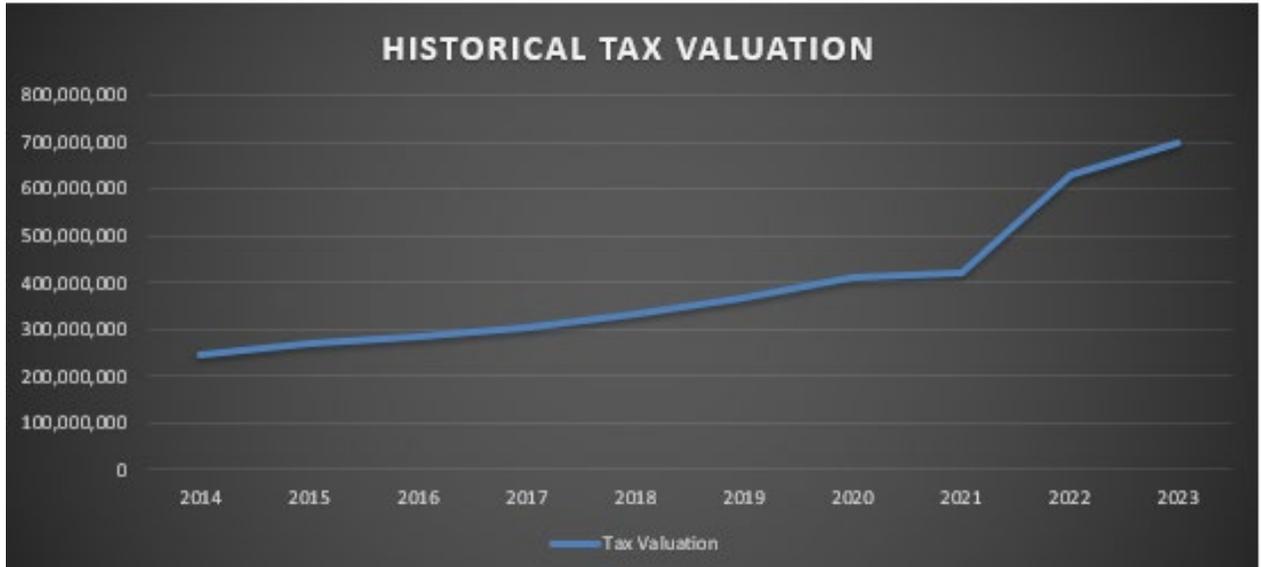
Finance Line Items	Description
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10-660-74-0	Capital Outlay
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Municipal Fire Line Items	Description
10-800-01-0	Holly Ridge Fire Salaries
10-800-02-0	Holly Ridge Fire Equipment
10-800-03-0	Turkey Creek Fire Department
10-800-04-0	Future Capital Outlay Fund

Streets – Muni. Line Items	Description
10-560-17-0	Signage





CURRENT ACCOUNT BALANCES

Coastal Bank & Trust	Balance as of 05/15/2023
General Fund	\$1,874,385.87
Powell Bill Funds	\$204,364.87
State Substance	\$4,387.28
Federal Substance	\$153.74
Money Market Savings	\$202,894.95
ARP Funds	\$900,957.67
24-Month CD	\$44,431.14

Other Accounts	Balance as of 05/15/2023
First Citizens	\$111,322.00
South State Bank	\$147,416.00

Councilman Hines said he appreciates the one cent deductions in taxes. He was told it could not be done and he knew it could be. Councilman Hines said the first thing he did when looking at the budget, was to make sure the citizens and the taxpayers were taken care of. Councilman Hines said we are up in expenditures about two hundred thousand dollars. Councilman Hines

said the revenues did not appear to be up that much, but it seemed like a lot is depended on grants. Councilman Hines said we are expecting to receive this money but there is no guarantee.

Manager Reynolds said as far as the Onslow County Tourism, that amount was sixty thousand and that is based on the applications that Ms. Madia submitted. The amounts were fifteen thousand for the fireworks and forty-five for the Christmas tree and this is the only grant that we included outside of the PARTF grant for this year. Councilman Hines said there is no guarantee on the PARTF grant either. Councilman Hines said the PARTF grant is listed on the budget as possible revenue and there is no guarantee. Finance Director Chuck Strickland said if we don't get the revenue, we don't get the expense.

Councilman Hines asked about the increase in the Fund balance. Mr. Strickland said forty-two percent of our budget would be just shy of three million dollars. Mr. Strickland said if we look at the General fund itself, we are not at forty-two percent. Mr. Strickland said if we look at the General Fund, Money Market, and the ARP fund, we would be at one hundred thousand dollars over. Mr. Strickland said if we backed the PARTF grant out, we would be at almost five hundred thousand and still maintain the forty-two percent.

Mayor Pro-Tem Hall asked when we calculated the forty-two percent did, we include all three. Mr. Strickland said we did not have to because we had so much grant funding and the grant funding came in to offset those costs. Mayor Pro-Tem Hall said if you leave those other two out, we are no where near the forty-two percent. Mr. Strickland said that is correct. Mayor Pro-Tem Hall asked what the percentage is leaving the two out. Mr. Strickland said if you leave the PARTF grant in there, we would be at twenty-seven percent. This is still above the eight percent required by the League of Municipalities. Mr. Strickland said we are at thirty-two percent. Councilman Hines said as we go on throughout the year and we find out some of the want items, we could take the items out of the Fund Balance.

Councilman Hines said we are going to spend in salaries, retirement, benefits, an additional \$989,586.00. Mr. Strickland said that is not right. Manager Reynolds said the difference is because you took the year-to-date number. Manager Reynolds said it runs a month behind.

Councilman Hines asked if it is going to be mandatory for all officers to participate if the fitness center at the Police Department is approved. Chief Sorg stated physical testing will be mandatory on their yearly evaluations which will affect their merit increases. Chief Sorg said the building would be open to all Town employees.

Councilman Hines asked if we have received any money because of the Police dog Razmus. Chief Sorg said they are expecting to receive some money anytime now. It can take Federal money well over a year to return.

Councilman Hines said he thinks it would be prudent to increase Turkey Creek Fire Department's money to fifteen thousand also. This would match what we are giving to Holly Ridge Volunteer Fire Department.

Councilman Hines asked what is the percentage that the Police Department is getting towards retirement. Manager Reynolds said it is 13.04% and will increase to 14.09%

Councilman Hines said staff is proposing thirty-five thousand dollars for a grant writer plus a percentage for doing their job recruiting grants. Councilman Hines said would it not be more prudent to contract somebody and give them a percentage of the grants they write. Manager Reynolds said she sees that point but as an employee of the Town, they become vested, and they feel like part of the team. Manager Reynolds said they are not contracting with other towns that could be in competition with us. Councilman Hines said he could not see paying someone a percentage more than their salary for doing their job. Councilman Hines said he is opposed to this idea.

Councilman Hines asked where the Town is proposing to put sidewalks. Manager Reynolds said towards the projects on Highway 50, Sound Road, and Morris Landing Road. Weston Lyall is currently working on survey and engineering and once we have that, we will be able to move forward towards grants. Jumbo is doing a feasible study on Highway 50 as well as a portion of Highway 17 up to the Camp Davis Industrial Park. Councilman Hines asked if any sidewalks were proposed for in Town. Councilman Hines said he walks the streets every day and the streets are in bad shape. Councilman Hines said it would be nice to have streets located in Town.

Councilman Hines asked if we needed LED ballpark lights. Mr. Strickland said we needed lights because the regular ones are getting so hot, they are blowing the breakers. Mr. Strickland said we have had Jones Onslow Electric come out and try to fix it and nothing seems to be working. Mr. Strickland said if we put up a different type of light that does not have such a draw, this may be the solution.

Councilman Hines asked how much money the Town expects to make with summer camp. Mr. Strickland said nine thousand. Mr. Strickland said the request for summer camp is not for this year and that is if we don't collaborate with Surf City. If we do our own summer camp it will be around four thousand profits.

Councilman Hines said we have a lot of needs that we must fulfill, and we have a lot of wants also, but the number one thing is to make sure we do the very best for our citizens and taxpayers. Councilman Hines said we reduced taxes by one cent, but we went up three dollars on our garbage collection. Councilman Hines said we could have done better with that by cutting our some of our wants. Councilman Hines said just because we receive more money, does not mean we need to spend more money.

Manager Reynolds said during the retreat, we had discussed starting our own enterprise fund for garbage and recycling. In looking at the increase, not only did the tipping fees go up, but we also did a budget amendment for one hundred thousand on tipping fees. The projected revenue for sanitation was about one hundred thousand more than what we projected to spend and that would be towards the capital cost of starting our own garbage truck. Manager Reynolds said she wanted to make sure there were enough funds to get it started moving forward.

Manager Reynolds said this is based on what we pay GFL. Eight dollars and thirty-two cents per can and three dollars and thirty-nine cents for the recycling cart for a total of eleven dollars and seventy-one cents. After we pay our expenses to GFL, we would have approximately two hundred thirty-six thousand left over and we budget one hundred thirty thousand left over. We would have one hundred six thousand to help with the purchase of a garbage truck.

Mayor Pro-Tem Hall said for Manager Reynolds to keep working on the garbage truck proposal for next year. Mayor Pro-Tem Hall asked if there was enough there to raise the cost by one dollar. Manager Reynolds said that would be correct.

Councilman Hines said if we raised it by one dollar and cut down some of the things in the budget, we would not have to raise it at all. Manager Reynolds said we run negative now with the increase in tipping fees. Councilman Hines said like reduce Turkey Creek Volunteer Fire Department.

Councilwoman Bragg asked if we were running in the negative. Manager Reynolds said last year GFL requested a two percent increase, and we absorb as a town. We did not pass this on to the citizens of Holly Ridge. Manager Reynolds said we have not experienced an increase in two years.

Mayor Pro-Tem Hall said she would like to see no decrease in tax and a decrease in tax options instead. Mayor Pro-Tem said to go back to the no decrease and start taking away to see what that would bring us down and the tax revenue. Mayor Pro-Tem Hall asked if the difference between one cent versus the increase in two dollars, is one better than the other. Mayor Pro-Tem Hall asked if we could do both. Manager Reynolds said on a three hundred-thousand-dollar house, it would almost be a wash. It would be thirty-six dollars more a year annually for the increase on garbage and recycling. A one cent reduction on a three hundred-thousand-dollar house is right at thirty dollars. Councilman Hines said he would rather have those thirty dollars in the taxpayer's pocket than in the governments pocket. Mr. Strickland said either the trash comes to the Town, or the tax dollars come to the Town. Mr. Strickland said either way it is a wash for the citizens.

Mayor Pro-Tem Hall agrees with Councilman Hines on Turkey Creek Fire Department. Mayor Pro-Tem Hall asked if taking it to the same quantity as Holly Ridge Fire Department is a good move. Mayor Pro-Tem Hall said the Police Department should get the fitness facility. Mayor Pro-Tem Hall asked if the ten thousand dollars for the abatement is for one event. Manager Reynolds said no, this would be for more than one event. Manager Reynolds said it cost around three thousand dollars. Mayor Pro-Tem Hall said she is okay with the cost for abatement as well as the Cola's for the employees. Mayor Pro-Tem Hall said we have been dancing around the topic of a grant writer for three years or more and we need to add this person. Mayor Pro-Tem Hall said she is in support of paying thirty-five thousand as well as a percentage to make them obtain the grants. Mayor Pro-Tem Hall asked if we could give the task of recruiting contractors to Parks and Recreation Coordinator Audrey Madia, to find volunteers or someone that does

that type of work. Mayor Pro-Tem Hall said her concern is we may just be placing them on the payroll and there is nothing going on for them to do in the parks etc. Mayor Pro-Tem Hall said she does not think that hiring a part-time person for Parks and Recreation is a good idea right now.

Councilman Sholar said this is not for this year, it is for next year and it is based on if we do not have a Memorandum of Understanding with Surf City.

Councilman Hines asked if staff has thought about a part-time on call person. Mr. Strickland said we must keep that person held to several hours per week, so we do not have to pay them benefits.

Mayor Pro-Tem Hall ask if the bond for one million dollars for street repairs will take care of all the Town's streets. Manager Reynolds said no, it will cost two million dollars. Mayor Pro-Tem Hall asked why we do not ask for two million. Manager Reynolds said we can, this was just for discussion. Mayor Pro-Tem Hall said we have been saying we were going to do this for a very long time, and we can get rid of some of the wants on the budget and proceed with repairing the streets in Town.

Mayor Wenzel asked if the two-million dollars includes Smith Street. Manager Reynolds said it does not. Mayor Wenzel said the Town would not approve taking Smith Street over because it does not meet the Town's standards. Councilman Hines said no one lives on Smith Street. Mayor Wenzel said it could cost up to two to three hundred thousand dollars to bring Smith Street to where it could be paved. Mayor Wenzel said he understands but with all the growth in Summerhouse and that area, Smith Street would be another solution to get to Highway 50. Councilman Hines said the people are now going up one more block and then turning onto Highway 50. Mayor Pro-Tem Hall said that is true, but they would not have to drive through a housing area and North Hines Street needs repair. Mayor Wenzel said he thinks it is ridiculous that we have a road that the Town would not accept because of the condition but we have the traffic going towards the beach and at some point, we need to do the right thing and pave Smith Street. Mayor Wenzel said we could pave the road wider and use that space for parking when there are events at the park.

Councilman Hines said we should fix all the roads we have now and then look at Smith Street in the future. Councilman Hines said we have bad roads. Mayor Wenzel said he understands, but if we are going for two million dollars, we could include Smith Street for an additional fee. Mayor Pro-Tem Hall said to get an estimate on Smith Street.

Mayor Pro-Tem Hall asked for clarification on the sponsorship program. Manager Reynolds said the new fence has been installed at the softball field and the next step would be a sponsorship program for the local businesses. This would allow Parks and Recreation Coordinator Audrey Madia to order the banners and charge it to that expense account and recoup the money on the back end into the revenue line item. Manager Reynolds said the amount

was twenty-five thousand and that was for athletic benches, field banners and pavilion picnic tables.

Mayor Wenzel called for a recess at 1:13 p.m.

Mayor Wenzel called the meeting back to order at 1:28 p.m.

Councilman Sholar asked about the lights at the basketball court in the park. Mr. Strickland said he spoke with Mr. Maready at Jones Onslow, but the only problem is when we have events such as Liberty Fest, we cannot cut those lights off. Mr. Strickland said if we get lights we can cut on and off we are looking at roughly \$500.00 per LED light which does not include the poles and hook ups. Mr. Strickland stated he would investigate lights for the basketball court.

Councilwoman Stanley said she does not have any questions or concerns about this year's budget, and she thinks staff did an excellent job putting this together.

Councilwoman Bragg asked Manager Reynolds how many street signs there are going to be that is not covered by the Town's Powell Bill. Manager Reynolds said anything outside of the street signs is covered by the Powell Bill. The street named signs are not. Mike McFann, Public Works Director has noticed that some of the street named signs are missing throughout the Town. Councilwoman Bragg said she agrees to try and cut some of the items from this year's budget, and she agrees with allocating the same amount to both Holly Ridge Volunteer Fire Department and Turkey Creek Volunteer Fire Department.

Councilman Hines asked for explanation on increasing the Town Council Fees. Manager Reynolds said this would increase the mayor's pay from three hundred to five hundred per month. Mayor Pro-Tem would increase from two hundred fifty to four hundred per month and the Town Council would increase from two hundred to three hundred. Councilman Hines said is against Town Council voting for a raise for themselves.

Councilman Hines said about the line item pertaining to legal services. Mr. Strickland said he has been in contact with Attorney Fountain's office about not sending invoices to us in a timely manner. Mayor Pro-Tem Hall said we may need to redo the contract because this is unacceptable due to the fact, we need to pay our bills on time, and no one needs to sit on invoices.

Councilman Hines asked about contract services. Mr. Strickland said he is waiting on Onslow County Tax office to send the tax bills. They do our tax collections for the Town, and we have not received any bills from them as far as what they charge us to manage the tax collections.

Councilman Hines asked about the emergency services of two hundred thousand. Mr. Strickland said that is the offset of the FEMA money that is in the revenues.

Councilman Hines said of all that he has said, the Town Council fees are what he objects with.

Mayor Pro-Tem Hall asked Mr. Strickland if it is possible to add a line item where you are paying out services that is not salary. Mayor Pro-Tem said for instance if you have part time help for Parks and Recreation and set forty-seven thousand dollars for a person but took thirty thousand dollars and added it to this line item for contracting, we may could look outside of the box for fundraisers and without a 1099. Mayor Wenzel said are we able to control the quality of the volunteer or organization that is representing the Town and are we able to ensure there is training to be able to respond to questions with injuries etc.

Mayor Pro-Tem Hall said it did not matter to her either way on the Town Council's pay. Mayor Wenzel said this was something he specifically requested because as the Town continues to grow and the amount of time that is taken away, there is a cost to that for his family and more importantly his business as well.

Manager Reynolds said everyone has said to trim expenses, so Manager Reynolds wanted to know if there are certain areas or line items. Mayor Pro-Tem Hall said Turkey Creek and the part time salary may be a good place to take from.

Councilman Hines said there are always going to be cuts and if you cut something, then later in the year if we need it, we can always go to the fund balance. Councilman Hines said would like to proceed with helping the taxpayers out and the citizens that have garbage pickup and cut from some of the other areas.

Mayor Wenzel said he is concerned about the bond loan amount of one hundred twenty-six thousand a year for ten years and truly if we need two million dollars instead of one million dollars then we need to be budgeting two hundred fifty-two. We only have one hundred and fifty for next year. Mayor Wenzel asked if this is because the bond would not go in effect for the entire year. Manager Reynolds said that was her thought process. Mayor Wenzel said he is not sure we will need the whole two hundred fifty-two for next year, but how long will it take to go ahead and get the bond and start paying interest on it. Mr. Strickland said more than likely September.

Mr. Strickland said two budget seasons ago we were putting two cents of our budget for streets. Two pennies this year would be one hundred forty thousand and that would not cover the two hundred and fifty-two thousand, so if the Town Council wants two cents put aside, Mr. Strickland recommends three or four pennies aside. Councilman Hines said you need to find somewhere in this budget to take that from to get the money. Mr. Strickland said we reduced taxes by a penny. Councilman Hines said you said that could not be done and we did. Mr. Strickland said not if we are going to put two hundred forty some thousand in the budget. Mr. Strickland said that is what he is asking the Town Council. Councilman Hines said there is something of these wants you can take out of the budget.

Mayor Wenzel said that is what the Town Council needs to be given staff. Mayor Wenzel said that is what Manager Reynolds is asking us what the wants are. Councilman Hines said we know what it cost the Town to operate. Mr. Strickland said yes that is the bare minimum, no

festivals, no anything. Mayor Wenzel said it is the Town Council's job to tell staff what we want to eliminate.

Mr. Strickland said when he starts cutting wants, it may be one that the Town Council would like to see the direction go that way.

Councilwoman Bragg said she did not like the line item pertaining to garbage and recycling because it was in the red. Manager Reynolds said the reason it was in the red is because Onslow County increased their tipping fees after we adopted our budget.

Councilman Hines said ONWASA will be increasing their amount in the next couple of years also and we must take that into consideration.

Manager Reynolds said the Town Council wanted to transition towards a municipal fire department and Chief Longo and Manager Reynolds have presented a four-year plan. Manager Reynolds said as we continue to cut taxes, which pushes this idea further away. Manager Reynolds said the fire tax is not guaranteed each year because it is based on the County Commissioners. Manager Reynolds said there is a program and infrastructure we want to add to the Town as a whole. Manager Reynolds said we are constantly taking from our reserve because we keep lowering our revenues. Manager Reynolds said this is concerning and we need to figure out where to trim on a staff level and bring that back to the Town Council. Manager Reynolds asked if we need another workshop.

Councilman Hines said we need another one because we cannot call for a Public Hearing right now. Councilman Hines said as we increase the revenues, there is a point where we can still bring the penny down. Councilman Hines said we are no where near thinking about a municipal fire department, but obtaining an additional fire station is something we need to investigate.

Mayor Pro-Tem Hall asked Manager Reynolds where else could we gather money from for the municipal fire department. Councilman Hines asked if the American Rescue Plan money is earmarked for anything. Manager Reynolds said she does not. Councilman Hines said Congress is saying the money that has not been spent, they are going to ask for it back possibly.

Mayor Wenzel stated he has a problem lowering taxes at the same time we are asking for a two-million-dollar bond. Mayor Wenzel said he would be in favor of using the American Rescue Plan funds to fix the roads. Mayor Pro-Tem Hall said that we could get a loan for \$1.4 million and include Smith Street. Councilman Hines said Congress may not take the funds back.

Councilman Sholar said if we need to use the funds, then we need to use the funds if we need to. Mr. Strickland said if we need to use the funds for the roads, it will put us below forty-two percent. It will put us below the four hundred thousand below the forty-two percent. Mr. Strickland said we are well above what the League of Municipalities requires. Mr. Strickland asked the Town Council if they had rather use the nine hundred thousand towards the streets instead of the two-million-dollar bond. Councilman Sholar said that would do away with the

two cents. Mayor Wenzel said we would not need the four cents to pay the interest on the two-million dollars.

Mayor Wenzel said we need to figure it out because not only do we want to get the streets up and going, but we also want to build a fund so they can be replaced out of our normal working budget. Mayor Wenzel said we need to figure out what that money will be penny wise from here on out.

Manager Reynolds said the thought was once the bonds are taken out to prepare all the streets at one time, we also have approximately one-hundred thousand coming in each year for maintenance of the streets to make sure the new repairs are maintained.

Town Council decided to hold a Budget Workshop # 2 for Tuesday, May 30th, 2023, beginning at 1:00 in the Council Chambers.

Persons Wishing to Address the Town Council

Ken Bradshaw – 134 Beacon Woods Drive said he has the same problem with the garbage company that everyone else is having. Mr. Bradshaw asked if GFL is really recycling or are they just throwing everything together.

Adjournment

A motion was made by ***Councilman Hines*** and seconded by ***Councilman Sholar*** to adjourn at 2:15 p.m. ***All Agreed.***

Attest:

Jeff Wenzel, Mayor

Tracy Martin, Deputy Clerk

These minutes were recorded and prepared by Deputy Town Clerk, Tracy Martin.

DRAFT