



**SPECIAL WORK SESSION/BUDGET SESSION MEETING
TUESDAY APRIL 30, 2024 @ 4:30 PM
CHERRYVILLE FIRE DEPARTMENT
411 E. CHURCH STREET
CHERRYVILLE, NC 28021**

The Honorable Mayor H.L. Beam called the meeting to order at the fire department in the training room. Councilmembers Jill Puett, Jon Abernethy, Gary Freeman, and Janice Hovis were present. City Manager Brian Dalton, City Clerk Paige H. Green, Public Works Director Chris J. King, Recreation Director Lance Hudson, Finance Director Dixie Wall, Downtown Director David Day, Water Plant Superintendent Bryan Williams, Wastewater Superintendent Larry Wright, Fire Chief Jason Wofford, Assistant Fire Chief Colby Heffner, and Police Chief Brandon Hunsucker were also present. Lincoln Times, and Wise News was present for media coverage. All media left once the budget session began.

ITEMS FOR DISCUSSION OR CONSIDERATION:

AGENDA APPROVAL:

Councilmember Puett made a motion to approve the agenda as written. Councilmember Abernethy seconded the motion and the vote was unanimous.

CONSIDERATION OF SURPLUS POLICE EQUIPMENT, POLICE CHIEF BRANDON HUNSUCKER:

Chief Hunsucker asked for consideration to surplus a Glock model 19 handgun and 3 magazines. Serial number of the service weapon is #BKRG726. He also asked that a gold police major badge be considered surplus for retired Major Brian Doolittle. Both items were issued to Major Doolittle, who will be retiring on May 1, 2024. Chief Hunsucker explained that in the law enforcement profession, it is customary for the retiring officer to receive his handgun and badge for retirement. Chief Hunsucker asked that both be sold to the retiring officer for \$1.00. The purchase would be completed using The Great Outdoors, a licensed Federal Firearms Dealer, for the firearm transfer.

Councilmember Abernethy made a motion to approve the surplus of a Glock model #BKRG726, 3 magazines, and a gold police major badge, and the sale of the items to retiring Major Brian Doolittle for \$1.00. Councilmember's Puett and Hovis seconded the motion and the vote was unanimous.

DISCUSSION OF PROPOSED FY 2024-2025 OPERATION BUDGET:

City Manager Dalton went through the FY-2024-2025, draft proposed budget. Each department was discussed and many questions were asked and answered during the process. Below is a list of highlights to the draft proposed budget:

- **General Fund** - Proposing the tax rate to remain at .48 per 100. The tax rate was lowered last year from .52 to .48, due to reevaluation of property values. With the reevaluation and the tax rate being reduced to .48, we are looking at additional \$800,000 in property taxes. The estimated tax revenue for property taxes for FY 2024-2025, will be approximately three million dollars.

When the tax rate was set last year, two positions were added at the Police Department, to bring our total of sworn positions to (16) up from (14). To put this into perspective, in 1997 the Cherryville Police Department had (17) sworn positions.

Last year a salary study was completed that had been implemented over a (3) year period and gave a 5% COLA adjustment. In previous years we were at the bottom of the salary scale with municipalities our size. In the 2023 League of Municipalities salary study, we started approaching the average range for most positions. Therefore, a 5% COLA adjustment in the 24/25 budget is being proposed to remain competitive, and be at or above the average range for most positions.

If Cherryville can continue to have positive growth, there will be a possibility in the next few years that we can lower the tax rate to put us on the path of being on the lower half of Gaston County municipalities. Currently, two other municipalities in Gaston County are at a higher tax rate than Cherryville. Before last year, Cherryville had the highest tax rate.

- **Electric Rate** - With the reductions that have been implemented over the past several years, Cherryville has the lowest rate of any provider in our area. The proposal for FY 2024-2025 is to leave the electric rate at our current rate. This allows the opportunity to continue to build the electric fund. It is in our best interest to keep a healthy electric fund because of incidents like May 16, 2023. Even though we got reimbursed approximately 75% of the funds, the city had unexpected expenses on the storm. It is critical that there is a savings account available to withstand incidents like this. Also, with the responsibility being on the City of Cherryville to get the infrastructure in place for electricity in the new developments, we need a healthy fund to be successful. The new development on Requa Rd., will consist of 504 homes and the electric service will be supplied by the city of Cherryville. This will be a major revenue stream in both tax revenue and utilities, but the cost of the infrastructure will be close to \$1,000,000.

- **Water/Sewer Rate**- It is being proposed that our water/sewer rates remain the same for the FY 2024-2025 budget year. This fund remains to be the worst performing fund. Evidence shows that maintenance of our aging infrastructure is likely the primary reason we do not perform as well in this fund. For example, in the FY 2023-2024 budget year, \$557,900 was appropriated out

of the water/sewer fund balance. In the FY 2024-2025 budget it is being proposed that \$352,000 come out of the water/sewer fund balance. This is used for budget purposes and typically the city does not have to use the fund balance. As we continue to make improvements to our system with grant funds, our maintenance costs will decline. The total budget for water/sewer was \$3,472,400 in FY 2023-2024 and the FY 2024-2025 budget is proposed at \$3,433,800, a decrease of \$38,600. The city has been told throughout the years that our rates were too low to qualify for numerous water/sewer grants. The goal of the AIA study that is coming to completion, is that this information will be used to secure some large grants in the coming years for water/sewer projects.

• **Highlights of proposed 2024-2025 budget:**

- Establishing a shift premium at the Police Department for (4) sworn Officers and (2) Dispatchers that work permanent night shifts. The premium would be a line item on their pay of \$1.25 per hour. This is common practice with most organizations. If an employee comes off night shift, they forfeit this benefit.
- Going from (8) leased vehicles at the Police Department to (10). The price of buying one vehicle and equipment is approximately \$60,000. With the lease program we can pay the lease and have (10) vehicles for approximately \$90,000. The lease program has proven to save money because of mostly eliminating the maintenance cost of maintaining old vehicles. The positions we added last year are a primary reason for the increase in leased vehicles.
- Proposing that the city lease (2) trucks for public works. The city would then shift two trucks in public works to other departments. Recreation department needs another truck and would likely take one of these vehicles. Staff is still waiting on pricing from Enterprise to decide on this.
- Staff is looking at adding a part-time Narcotics Detective at the Police Department. We currently only have one Narcotics Detective, and this is not feasible to fight the drug activity that our community is experiencing. The part-time detective would be allowed to work up to 1000 hours per year based on retirement regulations.

The total budget for FY 2023-2024 is **\$16,491,725.**

The total budget proposed for FY 2024-2025 is **\$17,917,445.**

Factors causing the increase:

- 5% COLA increase (\$260,000 in salary and benefits)
- Currently staff has negotiated a health insurance premium of 7% with a \$21,000 credit to our account, making the actual increase 5%.
- Increase cost in electric fund to build the infrastructure in the new developments.
- Inflation of goods and services

One issue staff is concerned with, is the paving and patching of roads. Staff is making a conscious effort to try and do some patching and paving before this budget year ends. Areas of

concern are Styers Street, community building parking lot, Carol Street, Elm Street etc. There are funds in the FY 2024-2025 budget from Powell Bill Funds and the street department, to do some paving. Currently the city has \$456,000, remaining in the downtown bond that was issued. The city could look at using some of these funds to pave some additional roads.

OTHER BUSINESS:

Mr. Dalton shared that he received a call from Mr. Gaither Keener of the American Legion, and he had been through Cherryville and was thrilled with the baseball field and downtown.

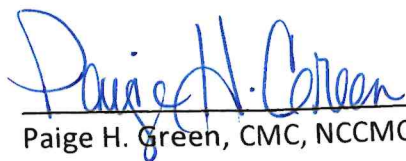
Mr. Dalton gave an update on the gymnasium saying, that the city is wanting to build off of E. Academy Street. He shared that he had met that day with the Department of Environmental Quality (DEQ), and was given the green light to start on the gym. Mr. Dalton shared that Custom Builders was present as well as the city's engineer. The grading for the gymnasium should begin in the next couple weeks.


Councilmember Hovis asked about a "No Outlet" sign on Joyce Drive. She will talk to the Metwally family regarding this sign being put in their yard.

ADJOURNMENT:

Councilmember Abernethy made a motion to adjourn the meeting. Councilmember Freeman seconded the motion and the vote was unanimous. The meeting adjourned at 8:15 pm.

Adopted this 13 day of May 2024.


Paige H. Green, CMC, NCCMC, City Clerk


H.L. Beam, Mayor

