

**CITY OF GRAHAM
SPECIAL SESSION
TUESDAY, MAY 16, 2017
8:00 A.M.**

The City Council of the City of Graham met in special session at 8:00 a.m. on Tuesday, May 16, 2017, in the Conference Room of the Municipal Building located at 201 South Main Street.

Council Members Present:

Mayor Jerry Peterman
Mayor Pro Tem Jimmy Linens
Council Member Griffin McClure
Council Member Chip Turner
Council Member Lee Kimrey

Also Present:

Frankie Maness, City Manager
Aaron Holland, Assistant City Manager
Darcy Sperry, City Clerk
Sandra King, Finance Director
Ryan Allshouse, Administrative Intern
Brian Faucette, Recreation & Parks Director
Nathan Page, Planning Director

Mayor Jerry Peterman called the meeting to order and presided at 8:00 a.m. Mayor Pro Tem Jimmy Linens gave the invocation.

Mayor Peterman and City Manager Frankie Maness introduced Alamance County Transportation Authority (ACTA) Executive Director Mr. Ralph Gilliam. Mr. Gilliam expressed concern with their agency's request for \$7,600 being eliminated from the manager's recommended FY 2017-2018 budget, while giving Council a brief overview of the ACTA program. Mr. Gilliam stated that in FY 2015-2016, riders using a Graham home address accounted for the second highest number of trips in the County. Additionally, Mr. Gilliam advised that while talking with Mayor Peterman and Mr. Maness prior to this meeting, Mr. Maness suggested that ACTA consider reducing the fare by \$1 for riders who live within the City limits. He stated that he foresees that not being an issue if Council should decide to grant the \$7,600 in funding.

Council Members asked Mr. Gilliam about the number of Graham residents that use ACTA, the Paratransit system, grant funding, who may ride and what other Alamance County municipalities participated in FY 2016-2017. Council Members agreed to revisit this issue later on in the meeting.

Mr. Maness reviewed the highlights of his recommended \$19,998,800 budget and gave a general overview of it. Staffing levels, overtime pay and compensatory time for employees was discussed as well as the basis for employee Cost of Living Adjustments, the Consumer Price Index.

The revenues of the General Fund were discussed among Council and Staff, in particular the estimations for property taxes and sales tax. Mr. Maness explained that this year was a revaluation year in which the calculation of a revenue neutral tax rate is required. He explained that the revenue neutral rate is calculated at 45.17 cents per one hundred dollars of valuation. He further explained that the revenue neutral rate is a complex calculation and there is no requirement to adopt it. Discussion related to sales tax computations, the impact of Lidl and the effect of growth on the City's tax base followed. Council Members discussed animal shelter expenses and the grant support for the additional police officer included in the proposed budget. Council asked that Staff seek an updated agreement for the animal shelter.

Mr. Maness presented an overview of the Water and Sewer Fund where it was stated that the Fund continues to experience financial success and therefore no increase in water and sewer rates is recommended. He highlighted revenues from various interlocal agreements as well as \$853,000 in capital improvements which represents a significant increase to address aging infrastructure.

The Garage Fund was discussed with no change proposed to existing operations. A \$4 increase to \$74 in the labor rate is proposed to offset increases in personnel costs.

Council Members turned attention again to revenues in the General Fund where discussion of precise and conservative revenue estimates were critical to successful financial operations. Specifically it was noted that the Property Tax, Sales Tax and Utility Franchise Taxes combined make up more than two-thirds of total revenues. An explanation of the combining of Recreation revenues was presented by Recreation and Parks Director Brian Faucette.

Among discussions of expenditures in the General Fund; Fire Department floor repairs, additional personnel in the Planning Department, another welcome sign, a downtown small area plan, Police Department Server relocation and an allocation to ACTA received consideration. Following discussion, a majority consensus agreed to make the following changes to the recommended budget: an addition of \$10,000 to begin the process of siting a new welcome sign and \$36,000 to convert the permanent part-time Planner position to full-time. Mr. Maness indicated he would make the necessary adjustments to the expenditures and meet the additional funding requirement from the fund balance appropriation.

At 12:23 p.m. Council Member Griffin McClure made a motion to adjourn, seconded by Council Member Chip Turner. All voted in favor of the motion.

Darcy Sperry, City Clerk