



## Town Council Agenda

### Access for the Electronic Meeting

**Via phone:** 1-646-558-8656

**Via web:**

<https://zoom.us/j/96922893064?pwd=YTVZTVpsUTRHeGplektCRGNqa1Fldz09>

**Via Zoom App:**

Meeting ID: 969 2289 3064

Password: 435095

**January 11, 2021**

Stallings Town Hall

315 Stallings Road

Stallings, NC 28104

704-821-8557

[www.stallingsnc.org](http://www.stallingsnc.org)

	Time	Item	Presenter	Action Requested/Next Step
	7:00 p.m.	Invocation Pledge of Allegiance Call the Meeting to Order	Wyatt Dunn, Mayor	NA
	7:05 p.m.	Public Comment	Wyatt Dunn, Mayor	NA
1.	7:15 p.m.	Consent Agenda A. Greenway Crossing Signal Design – Required NCDOT Inspection Agreement B. Five Year Financial Plan C. Historical Committee Application – Jill Reed	Wyatt Dunn, Mayor	Approve Consent Agenda <i>(All items on the Consent Agenda are considered routine, to be enacted by one motion. If a member of the governing body requests discussion on of an item, the item will be removed from the Consent Agenda and considered separately.)</i>  <b>Motion:</b> I make the motion to: 1) Approve the Consent Agenda as presented; or 2) Approve the Consent Agenda with the following changes: _____.
2.	7:17 p.m.	Reports A. Report from Mayor B. Report from Council Members/Town Committees C. Report from Town Manager/Town Departments	Council and Staff	NA
3.	7:45 p.m.	Agenda Approval	Wyatt Dunn, Mayor	Approve agenda as written. <i>(ADD, IF APPLICABLE: with changes as described by Mayor Dunn)</i>  <b>Motion:</b> I make the motion to: 1) Approve the Agenda as presented; or 2) Approve the Agenda with the following changes: _____.
4.	7:50 p.m.	Audit Fiscal Year 2019-2020 Report	Emily Mills, Potter and Co.	Presentation
5.	8:05 p.m.	Callonwood Sidewalks (1) Additional follow-up information	Chris Easterly, Town Engineer	

		<b>(2) Draft sidewalk prioritization policy</b>		
<b>6.</b>	<b>8:15 p.m.</b>	<b>Rules of Procedure (<i>Paxton</i>)</b> <b>(1) Amendments</b> <b>(2) Re-Adoption</b>	Lynda Paxton, Mayor Pro Tem	Approve (Deny) amendments and re-adoption
<b>7.</b>	<b>8:25 p.m.</b>	<b>Annual Retreat</b> <b>(1) Framework</b> <b>(2) Date</b>	Alex Sewell, Town Manager	Discussion and possible action
<b>8.</b>	<b>8:35 p.m.</b>	<b>Western Union Municipalities Alliance</b> <b>Resolution Supporting Wesley Chapel (<i>Ayers</i>)</b>	Steven Ayers, Council Member	Approve (Deny) resolution
<b>9.</b>	<b>8:45 p.m.</b>	<b>Closed Session pursuant to NCGS 143-318.11(a)(5)</b>	Wyatt Dunn, Mayor	Recess into closed session
<b>10.</b>	<b>9:00 p.m.</b>	<b>Adjournment</b>	Wyatt Dunn, Mayor	Adjourn the meeting



# MEMO

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To: Mayor and Council  
From: Alex Sewell, Town Manager  
Date: 1/6/20  
RE: **Greenway Design – Crossing Signal NCDOT Agreement**

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**Purpose:** The memorandum requests Town Council approval of a NCDOT required review/inspection agreement related to a NCDOT required greenway crossing signal.

**Background/Update:**

- In accordance with the Town’s greenway plan, hard design is underway for a section of a greenway section located near the Vickery subdivision adjoining Stevens Mill Road.
- As part of this project, NCDOT is requiring a pedestrian hybrid beacon signal crossing be installed on Stevens Mill Road (SR 1524). Council has approved moving forward with designing this signal crossing. As previously advised, the charge for NCDOT to review the traffic signal plans and inspect signal installation will be up to \$6,000 (but NCDOT has advised that it will likely be significantly less).
- To complete design, the Town is required to enter into a review and inspection agreement with NCDOT which is enclosed. Legal has reviewed this agreement.
- Notably, NCDOT often will maintain crossing signals at cost for local governments if desired. For example, the Town of Matthews contracts with NCDOT to perform this maintenance on several signals. This could be a cost-efficient option for the Town to ensure reliable functioning of the signal in the future.

**Recommendation:** Staff recommend Council take the following actions:

- Authorize staff to enter into a Review and Inspection Agreement with NCDOT and any related future maintenance agreements with NCDOT.



# MEMO

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To: Mayor Dunn and Stallings Town Council  
Via: Alex Sewell, Town Manager  
From: Marsha Gross, Finance Officer  
Date: 1-6-2021  
RE: **Five-Year Financial Plan**

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An updated draft for the Stallings Five-Year Financial Plan was submitted to council at the 11-9-2020 meeting with Council's changes incorporated in this draft. The most significant change was in the Storm Water Fund section where there was no increase or decrease to the forecasted fund balance due to the fact that the revenues for the fund were equal to the expenditures in each of the out years. Historically, fund balance has grown which currently has a balance over \$1 million with the completion of FY2020. This has been changed in the most recent draft that was presented in November.

Staff has not received any further comments or suggestions and are presenting the plan for approval at the January 11<sup>th</sup> meeting.

Attached is the most current copy of the plan. Please let me know if you need additional information or have any questions or suggestions.



**FIVE YEAR FINANCIAL PLAN  
FY2021 to FY2026**

## Town of Stallings Long Term Financial Planning

The Town of Stallings has undergone a number of changes both in growth and development over the past few years. In order to fulfill the future needs of the Town, it is necessary to evaluate both the revenue and expense streams as well as the capital improvements wants and needs to be able to sustain the services the Town provides. By creating a five-year financial plan, the Town can project the normal cost of doing business and identify excess and/or deficits in cash based on our forecast. The basis for the analysis is historical revenue and expense trends for the past five years, which will provide information to make assumptions regarding future spending, and the Town's Capital Maintenance Improvement and Infrastructure Plan. This is a tool which will be updated annually and used in the future for evaluating possible capital project needs and funding strategies to accomplish the Town's goals.

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## Town of Stallings Funds

The Town of Stallings uses funds to ensure and reflect compliance with finance related legal requirements, such as General Statutes or the Town's budget ordinance. They are broken down into three categories:

- Governmental funds - account for the governmental activities and services performed by the Town
- Capital Project Funds - account for larger capital projects
- Proprietary or Enterprise Funds - account for the business-type activities which include sewer and storm water services

### General Fund Long Term Planning

The General Fund is used to account for the revenues and expenditures necessary to provide basic governmental services for the Town. The principal sources of revenues are property taxes, sales and use taxes, beer and wine taxes, Powell Bill allocations, and utility taxes. Other revenue sources are fees charged for Town services for zoning, development, park rentals and transportation fees. Expenditures are broken down into the various departments which are general government, public safety, engineering and transportation, public works, economic development, environmental, and park and recreation.

The General Fund has consistently remained in sound financial condition from year to year due to effective management of the sources and uses of the Town's funds.

The General Fund has a fund balance of \$9,539,666 as of FYE 2020 with an unassigned balance of \$4,138,319. The Town also maintains a minimum fund balance of 30% of the subsequent year's expenditures in years after 2015 which was an additional \$2,189,160 at the end of fiscal year 2020.

Below is a summary of past and recent year-end fund balance reserves:

General Fund Balance	2016	2017	2018	2019	2020
<b>Non-spendable</b>					
Prepays	\$ 26,288	\$ -	\$ -	\$ -	\$ -
<b>Restricted</b>					
Stabilization by State Statute	285,214	667,933	601,599	462,389	401,137
Streets - Powell Bill	251,888	313,445	153,094	239,450	291,514
Drug Forfeiture	394,306	304,803	126,493	25,545	53,262
<b>Committed</b>					
Law Enforcement Separation Allowance	243,427	-	-	-	-
Parks and Recreation	223,263	330,043	330,043	374,474	374,474
Chestnut Lane Roundabout	-	-	350,000	350,000	-
<b>Assigned</b>					
Designated for subsequent year's expenditures	1,266,000	1,000,000	1,550,000	2,016,800	2,091,800
Minimum fund balance requirement	2,211,600	2,249,400	2,478,150	2,654,040	2,189,160
<b>Unassigned</b>					
Unassigned	4,533,650	5,216,484	3,355,658	3,270,119	4,138,319
<b>Total General Fund</b>	<b>\$ 9,435,636</b>	<b>\$ 10,082,108</b>	<b>\$ 8,945,037</b>	<b>\$ 9,392,817</b>	<b>\$ 9,539,666</b>

## Sources of General Funds

As previously noted, the largest source of revenue is the Town's ad valorem tax which represents a minimum of 50% each year of the Town's revenue. Exhibit 1 displays the revenue breakdown for the Town for the past five years.

Revenue by Source Exhibit 1						
Revenue Source	FY2016	FY2017	FY2018	FY2019	FY2020	Budget FY2021
<b>Ad Valorum</b>	\$ 3,327,541	\$ 3,404,816	\$ 3,502,958	\$ 3,615,911	\$ 3,669,430	\$ 3,630,000
<i>YOY Change</i>	-0.47%	2.32%	2.88%	3.22%	1.48%	-1.07%
<b>Motor Vehicle</b>	\$ 378,888	\$ 405,608	\$ 402,448	\$ 408,348	\$ 411,004	\$ 396,000
<i>YOY Change</i>	11.42%	7.05%	-0.78%	1.47%	0.65%	-3.65%
<b>Sales Tax</b>	\$ 999,184	\$ 1,134,617	\$ 1,189,871	\$ 1,259,345	\$ 1,365,392	\$ 1,252,000
<i>YOY Change</i>	-0.38%	13.55%	4.87%	5.84%	8.42%	-8.30%
<b>Utility Franchise Tax</b>	\$ 913,032	\$ 808,770	\$ 820,997	\$ 832,275	\$ 812,897	\$ 802,000
<b>Other Franchise Tax</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Beer and Wine Tax</b>	\$ 66,552	\$ 70,119	\$ 68,417	\$ 69,574	\$ 70,654	\$ 70,000
<b>Vehicle Rental</b>	\$ 38,209	\$ 42,555	\$ 38,287	\$ 23,004	\$ 7,593	\$ 8,500
<b>Zoning Fees</b>	\$ 96,409	\$ 62,855	\$ 78,807	\$ 87,033	\$ 77,853	\$ 65,000
<b>Development Agreement Fees</b>	\$ -	\$ -	\$ -	\$ 50,000	\$ 18,750	\$ -
<b>TIA Revenue</b>	\$ -	\$ -	\$ -	\$ 113,200	\$ 146,800	\$ 60,000
<b>Public Safety Fee</b>	\$ 7,019	\$ 2,052	\$ 2,473	\$ 5,786	\$ 5,079	\$ 3,100
<b>Nuisance Abatement/Civil Citations</b>	\$ -	\$ -	\$ -	\$ -	\$ 60,400	\$ 2,400
<b>Business Licenses</b>						
<b>Fees in Lieu of Park Land</b>	\$ 41,745	\$ 106,780	\$ -	\$ 44,431	\$ -	\$ 45,000
<b>Transportation Contributions</b>	\$ -	\$ -	\$ -	\$ -	\$ 1,684,247	\$ -
<b>Powell Bill</b>	\$ 392,409	\$ 459,214	\$ 399,228	\$ 399,455	\$ 402,567	\$ 400,000
<b>Solid Waste disposal tax</b>	\$ 11,994	\$ 10,407	\$ 10,494	\$ 11,963	\$ 12,431	\$ 11,800
<b>Grant Income/Forfeiture</b>	\$ 671,355	\$ 176,459	\$ 25,660	\$ 4,122	\$ 37,709	\$ -
<b>Miscellaneous</b>	\$ 116,391	\$ 41,475	\$ 41,312	\$ 20,138	\$ 58,494	\$ 27,100
<b>Investment</b>	\$ 17,298	\$ 35,226	\$ 90,526	\$ 160,338	\$ 122,514	\$ 126,000
<b>Interest</b>	\$ 14,124	\$ 7,361	\$ 8,224	\$ 11,859	\$ 8,138	\$ 6,500
<b>Total Revenue</b>	<b>\$ 7,092,150</b>	<b>\$ 6,768,315</b>	<b>\$ 6,679,702</b>	<b>\$ 7,116,783</b>	<b>\$ 8,971,951</b>	<b>\$ 6,905,400</b>
<b>YOY % Increase/(Decrease)</b>	13.02%	-4.57%	-1.31%	6.54%	26.07%	-23.03%
<b>Adjust Annual Revenue by removing Fees in Lieu of Park Land, TIA Revenue, Transportation Contributions and Grant Income/Forfeiture</b>	\$ (713,100)	\$ (283,239)	\$ (25,660)	\$ (211,753)	\$ (1,887,506)	\$ (105,000)
<b>Adjusted Annual Revenue:</b>	<b>\$ 6,379,050</b>	<b>\$ 6,485,075</b>	<b>\$ 6,654,042</b>	<b>\$ 6,905,030</b>	<b>\$ 7,084,445</b>	<b>\$ 6,800,400</b>
<b>YOY % Increase/(Decrease)</b>	3.78%	1.66%	2.61%	3.77%	2.60%	-4.01%

Total revenue increased over this five-year period an average of 7.95% per year from FY2016 to FY2020. Each year increased with the exception of the period between FY2016 and FY2017 where there was \$569,226 of police department forfeiture/grant funds received by the town and the period between FY2017 and FY2018 which is explained by the decrease in fees in lieu of park land. The increase of 26.07% in FY2020 is due primarily to a contribution the Town received for the construction of the Chestnut Roundabout. If these amounts were removed from the year over year comparison, each year shows an increase in revenue with an average over the five-year period of 2.88% per year. Another item to note with these types of revenue streams for forfeiture funds and grants, is that they have related expenditures that offset these revenues as they are earned or kept in restricted funds for future use.

FY2021 budgeted revenue was not included in the five year average above which represented a decrease of 23.03% from FY2020. The decrease is mainly due to Chestnut Roundabout, but also management and council followed guidance from the state and local government commission to reduce both ad valorem and sales and use tax revenues due to the impact of the COVID pandemic on our economy. Ad valorem tax was reduced 1.07% and sales and use tax was reduced 8.30% from prior year.

Taking the analysis one step further, approximately 93% of the Town's revenue is driven by ad valorem, sales tax, utility franchise tax and Powell bill funds. Ad valorem tax has grown an average of 1.9% each year and if you focus on FY2017 to FY2020 with the recovery of the real estate market, is it closer to 2.48% each year. Sales and Use tax has a similar comparison with a spike in FY2017 driven by the economy and growth in the Town and averaged 6.5% each year. The remaining revenue drivers for utility franchise tax and Powell Bill funds remain consistent year over year with minimal changes each year.

### **Revenue Assumptions for Five Year Financial Plan**

The Town will use a look back period of five years and will update the year over year trends annually. These trends will be the basis of the analysis but there are other factors which will be considered in the forecast. Historically, the town has gone through periods of recession where there were significant decreases in the construction of new homes and home values were reduced. In order to include the possibility of a recession or other escalation in revenue, the following items will also be evaluated in the analysis:

- Union County Tax Office – Estimated Tax for following fiscal year
- Number of zoning permits issued and execution of development agreements
- Union County Tax Revaluations
- Consumer price index for the county and area

The initial revenue growth model for the period FY2021 through FY2025 based the year over year comparison and the factors above, will use and escalation of **2.88%** average growth as noted above. While there are other factors that will positively impact revenue such as new neighborhoods and developments, possible hotel tax, and increases in tax rates, the historical average will provide a conservative estimate since these revenues will also be used to estimate spending.

## Uses of General Funds

Departmental expenditures plus appropriations of General Funds for needs such as capital projects account for the uses of General Funds. For this analysis, the focus will be on the departmental expenditures over the last 5 years. As displayed in Exhibit 2, these expenditures have fluctuated from FY2016 to FY2020. These changes are due to many factors most of which are the following:

- FY2016 – Town created 4 new positions (Asst. Engineer, Communications Specialist, Planner, and added part-time staffing for park) as well as significant spending in transportation for sidewalks and roads of over \$1M which caused the year over year increase of 26.1%
- FY2017 – Decrease in spending of 4.4% from prior year with a focus on adding to fund balance and minimal capital expenditures for the year.
- FY2018 – Large increase in expenditures in the areas of Planning for 4 Small Area plans, Parks for Master planning services and in General Government for design costs related to the New Town Hall and public works buildings.
- FY2019 – In total costs were close to FY2018 with a small decrease of 0.3%. Expenditures were low for several reasons, mainly due to the demolition of the Civic Building and the construction of the Public Works building and New Town Hall. Several capital expenditures within the departments were delayed to FY2020 due to lack of space.
- FY2020 – The increase of 27.5% is due to the costs associated with the Chestnut Roundabout of \$1,946,747 (which had offsetting revenue of \$1,684,247). Removing this cost, the increase from prior year is only 0.7%.
- FY2021 – Budgeted costs increase 9.8% over prior year if we remove the Chestnut Roundabout costs from FY2020.

Expense Analysis by Department  
Exhibit 2

	FY2016	FY2017	FY2018	FY2019	FY2020	Growth in 5 Years	FY2021 Budget
<b>General Government</b>	\$ 1,151,216	\$ 1,105,745	\$ 1,194,897	\$ 1,175,978	\$ 1,267,448	10.1%	\$ 1,193,900
<b>Public Works</b>	\$ -	\$ -	\$ 200,411	\$ 323,042	\$ 280,456	39.9%	\$ 303,800
<b>Public Safety</b>	\$ 2,050,995	\$ 2,285,843	\$ 2,431,793	\$ 2,389,097	\$ 2,259,878	10.2%	\$ 2,586,500
<b>Transportation</b>	\$ 1,494,515	\$ 865,193	\$ 755,422	\$ 729,619	\$ 2,651,446	77.4%	\$ 783,000
<b>Sanitation</b>	\$ 912,934	\$ 885,217	\$ 906,820	\$ 885,833	\$ 945,978	3.6%	\$ 1,020,000
<b>Zoning &amp; Planning</b>	\$ 193,851	\$ 348,067	\$ 490,294	\$ 405,282	\$ 326,667	68.5%	\$ 344,800
<b>Park &amp; Rec</b>	\$ 385,890	\$ 424,237	\$ 543,671	\$ 595,713	\$ 559,730	45.0%	\$ 685,200
<b>Total</b>	<b>\$ 6,189,401</b>	<b>\$ 5,914,302</b>	<b>\$ 6,523,308</b>	<b>\$ 6,504,564</b>	<b>\$ 8,291,603</b>	<b>34.0%</b>	<b>\$ 6,917,200</b>
<b>YOY Change</b>	<b>26.1%</b>	<b>-4.4%</b>	<b>10.3%</b>	<b>-0.3%</b>	<b>27.5%</b>		<b>-19.9%</b>
<b>Outside Services - Not to repeat</b>		\$ 77,500	\$ 473,559	\$ 206,100	\$ 1,946,747		\$ -
<b>Total Expenditures less Outside Services not to repeat</b>	<b>\$ 6,189,401</b>	<b>\$ 5,836,802</b>	<b>\$ 6,049,749</b>	<b>\$ 6,298,464</b>	<b>\$ 6,344,856</b>		<b>\$ 6,917,200</b>
<b>Adjusted YOY Change</b>	<b>26.1%</b>	<b>-5.7%</b>	<b>3.6%</b>	<b>4.1%</b>	<b>0.7%</b>		<b>9.8%</b>

Exhibit 2 uses two different approaches in calculating the YOY expenditure increases:

- The first YOY change in blue shows the total departmental spend and the increase from prior year.
- The second YOY change in orange removes the outside services that would be considered one-time costs which normalizes the expenditures year over year.

Analyzing further, the FY2016 increase in total expenditures is significant. In this year transportation department spend was over double the prior year as well as an overall 10% staffing increase for the Town. Due to this being a year of major change, the chart below shows average increases which include FY2016 and prior (six year average) and average changes that exclude FY2016 (5 year average).

YOY changes	Total Cost	Adjusted Totals
6 year Average FY2016 to FY2021	6.54%	6.45%
5 year Average FY2017 to FY2021	2.63%	2.52%

Based on the historical spend by department, the rationale for the forecasted expenditures will be the following:

- FY2021 Budget – Will be included in the YOY averages and be the starting point for the forecasted expenditures.
- Escalation factor for expenditures will be **2.58%** per year which is the average of the 5 year average total cost (2.63%) and adjusted total cost (2.52%) Realizing this is greater than YOY decrease for FY2021 of -19.9%, this enables the Town to plan conservatively for future expenditures while having enough growth for departmental needs.
- Powell Bill Funds will be used for road repairs and revenue taken in will be equal to the expenditure for the year.

### **General Fund Long Term Planning Summary**

Based on the analysis on sources and uses of funds, the following factors will be used for the five -year forecast model:

Rates to be used for the analysis:	Revenue (Sources) Escalation	2.88%
	Expenditures (Uses) Escalation	2.58%

These assumptions will be reviewed during the budget process and the five-year projection will be updated annually based on operations of the last fiscal year.

## General Fund Five-Year Financial Plan

### Forecasted Revenue

FY2021 was budgeted with the possibility of an economic downturn for the COVID 19 pandemic but actual revenue for both sales and use tax and ad valorem tax appear to be unaffected. For this reason, the FY2021 budgeted revenue is being increased to the FY2020 actual revenue for both ad valorem and sales and use tax. This changes total revenues from \$6,905,400 to \$7,058,222.

The revenue forecast below shows Actual results for FY2019 and FY2020, adjusted budget FY2021 using actual revenues for ad valorem and sales and use tax. and projections for FY2022 through FY2026 using an escalation factor of 2.88% each year:

	Actual		Budget	FY2022	FY2023	FY2024	FY2025	FY2026
	FY2019	FY2020	FY2021					
Revenue	\$ 7,116,783	\$ 8,971,951	\$ 7,058,222	\$ 7,261,498	\$ 7,470,630	\$ 7,685,784	\$ 7,907,134	\$ 8,134,860
	6.54%	26.07%	-21.33%	2.88%	2.88%	2.88%	2.88%	2.88%

### Forecasted Expenditures

Similar to revenue above, the chart below shows Actual results for FY2019 and FY2020, budget for FY2021 and forecasts for FY2022 to FY2026 using an escalation factor of 2.58% each year:

Expenditures by Dept.	Actual		Budget	FY2022	FY2023	FY2024	FY2025	FY2026
	FY2019	FY2020	FY2021					
General Government	\$ 1,175,978	\$ 1,267,448	\$ 1,193,900	\$ 1,224,693	\$ 1,256,281	\$ 1,288,683	\$ 1,321,921	\$ 1,356,017
Public Works	\$ 323,042	\$ 280,456	\$ 303,800	\$ 311,636	\$ 319,673	\$ 327,919	\$ 336,376	\$ 345,052
Public Safety	\$ 2,389,097	\$ 2,259,878	\$ 2,586,500	\$ 2,653,212	\$ 2,721,644	\$ 2,791,841	\$ 2,863,849	\$ 2,937,715
Transportation	\$ 729,619	\$ 2,651,446	\$ 783,000	\$ 803,195	\$ 823,912	\$ 845,162	\$ 866,961	\$ 889,322
Sanitation	\$ 885,833	\$ 945,978	\$ 1,020,000	\$ 1,046,308	\$ 1,073,295	\$ 1,100,978	\$ 1,129,374	\$ 1,158,503
Zoning & Planning	\$ 405,282	\$ 326,667	\$ 344,800	\$ 353,693	\$ 362,816	\$ 372,174	\$ 381,773	\$ 391,620
Park & Rec	\$ 595,713	\$ 559,730	\$ 685,200	\$ 702,873	\$ 721,002	\$ 739,598	\$ 758,674	\$ 778,242
<b>Total</b>	<b>\$ 6,504,564</b>	<b>\$ 8,291,603</b>	<b>\$ 6,917,200</b>	<b>\$ 7,095,610</b>	<b>\$ 7,278,622</b>	<b>\$ 7,466,354</b>	<b>\$ 7,658,929</b>	<b>\$ 7,856,470</b>
YOY Change	-0.29%	27.47%	-16.58%	2.58%	2.58%	2.58%	2.58%	2.58%

## General Fund Debt Service Payments

In January 2019, the Town entered into a \$2,918,000 direct placement contract to finance a new town hall building and public works building. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires principal payments beginning in the fiscal year ending 2020 with an interest rate of 3.45%.

Annual debt service payments of the installment purchase as of June 30, 2020, including \$431,364 of interest, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 291,800	\$ 88,083
2022	291,800	78,015
2023	291,800	67,947
2024	291,800	57,882
2025	291,800	48,423
2026-2029	1,167,200	91,014
	<u>\$ 2,626,200</u>	<u>\$ 431,364</u>

These principal and interest payments will be included in the five-year planning model.

## General Fund Five-Year Financial Plan Model

Combining the logic from the revenue and expenditure projections, the forecast model below works and follows:

- Uses General Fund Revenues less expenditures to show projected excess revenues or deficits based on operating expenses
- Identifies debt payments to be made for the forecast period by fiscal year
- Calculates the projected unassigned fund balance based on operations and debt obligations.

The information provided by the model can now be used as a tool to evaluate future capital projects and shows the impact they would have on the Town as it relates to available funds. The Town can evaluate if they have the available funds during that time period and help make decisions on using fund balance, borrowing more funds or even if the project is feasibly possible.

## General Fund Five-Year Financial Plan As of 11/3/2020

### GENERAL FUND REVENUES and EXPENDITURES FORECASTS

	Budget					
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
GF Revenue Forecast	\$ 6,658,222	\$ 6,849,998	\$ 7,047,230	\$ 7,250,184	\$ 7,459,034	\$ 7,673,860
Restricted (Powell Bill and other)	400,000	\$ 411,500	\$ 423,400	\$ 435,600	\$ 448,100	\$ 461,000
<b>Total GF Revenues</b>	<b>\$ 7,058,222</b>	<b>\$ 7,261,498</b>	<b>\$ 7,470,630</b>	<b>\$ 7,685,784</b>	<b>\$ 7,907,134</b>	<b>\$ 8,134,860</b>
		2.88%	2.88%	2.88%	2.88%	2.88%
GF Forecasted Expenditures (not including Debt)	6,917,200	7,095,610	7,278,622	7,466,354	7,658,929	7,856,470

<b>REVENUES OVER EXPENDITURES</b>	<b>\$ 141,022</b>	<b>\$ 165,888</b>	<b>\$ 192,007</b>	<b>\$ 219,429</b>	<b>\$ 248,205</b>	<b>\$ 278,390</b>
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\* Revenue Forecast is conservatively based on historical data and assumed at 2.88% each year  
Expenditures are Forecasted to increase 2.84% each year and does not include debt service payments

	Budget					
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
<b>DEBT SERVICE PAYMENTS</b>						
Principal	\$ 291,800	\$ 291,800	\$ 291,800	\$ 291,800	\$ 291,800	\$ 291,800
Interest (Paid Monthly)	88,083	78,015	67,947	57,882	48,423	38,356
<b>Debt Service Due</b>	<b>\$ 379,883</b>	<b>\$ 369,815</b>	<b>\$ 359,747</b>	<b>\$ 349,682</b>	<b>\$ 340,223</b>	<b>\$ 330,156</b>

<b>TOTAL PROJECTED INCREASE/(DECREASE) TO FUND BALANCE BEFORE LARGE CAPITAL EXPENDITURES</b>	<b>\$ (238,861)</b>	<b>\$ (203,927)</b>	<b>\$ (167,740)</b>	<b>\$ (130,253)</b>	<b>\$ (92,018)</b>	<b>\$ (51,766)</b>
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### GENERAL FUND - FORECASTED UNASSIGNED BALANCE

	Budget					
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Beginning Balance	\$ 4,138,319	\$ 3,899,458	\$ 3,695,531	\$ 5,035,791	\$ 4,905,538	\$ 4,813,521
Less Available Cash needed for Capital Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add Reimbursed Funds from NCDOT	\$ -	\$ -	\$ 1,508,000	\$ -	\$ -	\$ -
<b>Unassigned Fund Balance Available</b>	<b>\$ 4,138,319</b>	<b>\$ 3,899,458</b>	<b>\$ 5,203,531</b>	<b>\$ 5,035,791</b>	<b>\$ 4,905,538</b>	<b>\$ 4,813,521</b>
Add Current Year Revenues over Expenditures	141,022	165,888	192,007	219,429	248,205	278,390
<b>Total Available before Debt Service Payments</b>	<b>\$ 4,279,341</b>	<b>\$ 4,065,346</b>	<b>\$ 5,395,538</b>	<b>\$ 5,255,220</b>	<b>\$ 5,153,744</b>	<b>\$ 5,091,910</b>
Less CY Debt Service Payments	\$ (379,883)	\$ (369,815)	\$ (359,747)	\$ (349,682)	\$ (340,223)	\$ (330,156)
<b>Net Available Beginning of Next Fiscal Year</b>	<b>\$ 3,899,458</b>	<b>\$ 3,695,531</b>	<b>\$ 5,035,791</b>	<b>\$ 4,905,538</b>	<b>\$ 4,813,521</b>	<b>\$ 4,761,754</b>
Add Minimum Fund Balance Requirement Reserved by Council	2,189,160	2,101,585	2,152,088	2,203,971	2,257,271	2,312,206
<b>Total Funds Available including Council Reserve</b>	<b>\$ 6,088,618</b>	<b>\$ 5,797,116</b>	<b>\$ 7,187,878</b>	<b>\$ 7,109,509</b>	<b>\$ 7,070,791</b>	<b>\$ 7,073,960</b>

In summary the Five-Year Financial Plan as of FY2021 shows a number of items that will be used for the future forecasting and planning for the town. The plan needs to be updated annually due to the uncertainty of current economic conditions. Items to consider from the plan are:

- Margins for revenue over expenses in the outyears are tight. Town management has historically been below budget for expenditures which resulted in additions to fund balance but for conservative estimates, we are using the estimated revenues and expenses as shown.
- Beginning in FY2021 and outyears, the interest and part of the principal will be paid by using current year revenue. This creates the scenario where the Town will be using fund balance to make the principal payments which was the plan when the Town acquired the debt.
- Current operations and service levels will be maintained in the next five years with room for expenditure escalation without using fund balance.
- COVID 19 pandemic has impacted operations but we are unsure of the future impact to the revenue streams. There has not been any indication of a drop in revenue but continued closures will eventually effect the Town's finances.
- FY2022 revenue for ad valorem and motor vehicle taxes will be impacted by the Union County property tax revaluation but until we receive the results of the valuation, no changes were used in the Five-Year Financial Plan. Once notified of the results of the revaluation, we can easily adjust the projections.
- Impacts of the Town's Capital Maintenance Infrastructure and Improvement Plan (CMIIP) are discussed in a later section.
- This is a living plan and should be used to determine effects of large capital investment on the Town's financial fund balance and overall financial stability.

## ***Enterprise Funds***

Enterprise Funds account for business-type activities of the Town. These activities provide services where most of the costs are recovered through user fees or charges. The Town has two Enterprise Funds.

- Sewer Fund – received revenues from charges to property owners to provide sewer connection to the Union County-wide sewer system.
- Storm Water Fund - receives its revenues from annual charges to all property owners to fund storm water quality projects, operations and maintenance, capital improvements to the Town's storm water infrastructure system.

## ***Sewer Fund Long Term Planning***

### **Background**

The Sewer fund was established when Union County offered to property owners of Stallings to pay a one-time fee to connect to the County-wide sewer system. Stallings collected the fees and they hold them in escrow in this fund. The current balance held in escrow is \$7,959.31 which represents a handful of property owners that have not yet taken this election.

### **Long Term Planning**

The fund will continue in perpetuity until these property owners have connected to the county's sewer system.

## Storm Water Fund Long Term Planning

The Storm Water Fund was established for the accounting of the costs of operating and maintaining the Town's storm water infrastructure system.

The Storm Water Fund has consistently remained in sound financial condition from year to year due to effective management of the sources and uses of the Town's funds.

The Storm Water Fund has an unrestricted fund balance of \$1,065,701 at fiscal year-end 2021. This balance continued to grow year over year as revenues for the fund exceed expenditures but did decrease in 2020 due to a transfer to the General Fund of \$208,000 for the construction of the underground water detention system at Town Hall.

Below is a summary of past and recent year-end fund balance reserves:

Storm Water Fund	2016	2017	2018	2019	2020
<b>Net Position</b>					
Net Investment in Capital Assets		63,680	104,293	385,891	576,007
Unassigned	699,830	881,418	1,152,240	1,284,670	1,065,701
<b>Total Net Position</b>	<b>\$ 699,830</b>	<b>\$ 945,098</b>	<b>\$ 1,256,533</b>	<b>\$ 1,670,561</b>	<b>\$ 1,641,708</b>

## Sources of Storm Water Funds

The source of revenue in the Storm Water Fund are fees charges annually to all property owners. The fee structure is based on whether the property is for commercial or residential use.

Residential Storm Water Fee - \$46 per lot

Commercial Storm Water Fee - \$33 per ERU (Equivalent Residential Unit = 2,060 sq. ft.)

Fees are assessed annually and are billed and collected along with property taxes. Exhibit 4 below displays Storm Water Fund actual revenue from FY2016 through FY2020 and budget value for FY2021

	Revenue by Source					Budget
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Storm Water Fees &amp; Interest</b>	\$ 481,394	\$ 488,516	\$ 493,804	\$ 474,935	\$ 475,932	\$ 515,500
<i>YOY Change</i>	1.43%	1.48%	1.08%	-3.82%	0.21%	8.31%

Storm Water revenue is consistent with an average increase of 0.08% from FY2016 through FY2020. The fee structure for the Town has not been changed since 2014 which makes the revenue flow unfluctuating as indicated. While the budget for FY2021 represents an 8.31% increase, management feels that the 0.08% average increase is more representative of the projected revenues for this fund.

## Use of Storm Water Funds

Expenditures from this fund are used for operation and maintenance, capital improvements, and infrastructure replacement relating specifically to the Town’s storm water system.

The Town stormwater control authority currently includes responsibility within the public right of way and in the design of new developments. Repair and maintenance beyond the right of way is the responsibility of the property owner or related HOA.

The Storm Water Fund expenditures fluctuate from year to year as depicted in Exhibit 5 below. These fluctuations are due to the number of storm water projects identified and remediated within the specific fiscal year. The Town has been building a reserve in the fund that would be large enough to repair 2 major storm water events. This amount has been identified by Council to be at \$1,000,000. From FY2015 to FY2020, the expenditures for the fund were less than the revenue for the year which built this reserve.

During FY2019 and FY2020, storm water expenditures increased due the number of storm water repairs completed by the Town as shown in Exhibit 5 below. In FY2019 the Town completed 24 storm water project and in FY2020 the number jumped again to 26 projects.

	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Budget FY2021</b>
<b>Storm Water Expenditures</b>	\$ 388,383	\$ 245,268	\$ 182,369	\$ 274,299	\$ 296,785	\$ 515,500
<i>YOY Change</i>	<i>132.12%</i>	<i>-36.85%</i>	<i>-25.65%</i>	<i>50.41%</i>	<i>8.20%</i>	<i>73.69%</i>

The best representation of expenditure growth is from FY2019 to FY2020 which was 8.2%. During this time period a number of projects were repaired and the Town increased the reserve to nearly \$1 million to fund major projects for the coming years. In FY2021, the Town budgeted \$515,500 in expenses (equal to budgeted revenue for the fund) which included additional services added for street sweeping and storm water drain cleaning in the amount of \$90,000. Also, previous budget cycles did not include a contingency line for the Storm Water Fund. For planning purposes, the goal for the town will be to use the 8.2% growth rate year over year but will adjust the growth from FY2020 to FY2021 by the additional services added in FY2021 as noted above in the amount of \$90,000. The Town will also in future years budgets include contingency up to the statutory maximum of 5% of total appropriations for unexpected repairs that can be moved using a budget amendment.

## Storm Water Fund Long Term Planning Summary

Based on the historical information analysis on sources and uses of funds, the following factors will be used for the five -year forecast model:

Rates to be used for the analysis:

Revenue (Sources) Escalation	0.08%
Expenditures (Uses) Escalation	8.20%

Long term planning for the expenditures will use the escalation rate from FY2019 to FY2020 and adjust the FY2021 budget by 8.2% making the new amount \$321,121 and add an additional amount of \$90,000 making the new total \$\$411,121. Outyears will be calculated from the adjusted FY2021 adjusted total. This would be building fund balance in the next 5 years and any larger maintenance projects that would exceed budget would require fund appropriations.

These assumptions will be reviewed during the budget process and the five-year projection will be updated annually based on operations of the last fiscal year.

### **Storm Water Fund Five-Year Financial Plan As of 11/30/2019**

**STORM WATER FUND REVENUES and EXPENDITURES FORECASTS**

	Budget <u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
SW Revenue Forecast	\$ 515,500	\$ 515,912	\$ 516,325	\$ 516,738	\$ 517,151	\$ 517,565
		0.08%	0.08%	0.08%	0.08%	0.08%
SW Expenditures	411,121	444,833	481,310	520,777	563,481	609,686
<b>REVENUES OVER EXPENDITURES</b>	<b>\$ 104,379</b>	<b>\$ 71,079</b>	<b>\$ 35,015</b>	<b>\$ (4,039)</b>	<b>\$ (46,330)</b>	<b>\$ (92,121)</b>

**STORM WATER FUND - FORECASTED UNASSIGNED BALANCE**

	Budget <u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Beginning Balance	\$ 1,065,701	\$ 1,170,080	\$ 1,241,158	\$ 1,276,174	\$ 1,272,135	\$ 1,225,805
Less Appropriated Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Fund Balance Available	<b>\$ 1,065,701</b>	<b>\$ 1,170,080</b>	<b>\$ 1,241,158</b>	<b>\$ 1,276,174</b>	<b>\$ 1,272,135</b>	<b>\$ 1,225,805</b>
Add Current Year Revenues over Expenditures	<b>104,379</b>	<b>71,079</b>	<b>35,015</b>	<b>(4,039)</b>	<b>(46,330)</b>	<b>(92,121)</b>
<b>ENDING UNASSIGNED BALANCE</b>	<b>\$ 1,170,080</b>	<b>\$ 1,241,158</b>	<b>\$ 1,276,174</b>	<b>\$ 1,272,135</b>	<b>\$ 1,225,805</b>	<b>\$ 1,133,684</b>

In summary, the Five-Year Financial Plan for the Storm Water Fund forecasts the fund using fund balance in FY2024 to fund a portion of the year's expenditures. The plan needs to be updated annually due to the uncertainty of current economic conditions as well as possible impacts due to growth in the Town. Items to consider from the plan are:

- Assumptions for revenue growth of 0.08% and expenditure growth of 8.2%, there will be a deficit in FY2024 which will grow larger each out year. Town management will carefully evaluate the need for repairs and schedule them on an as needed basis.
- Future budgets will contain a contingency line item in order to keep track of the residual remaining from expenditure growth and use only with Council approval using budget amendments.
- This analysis does not consider any tax increases/decreases that may occur due to the FY2021 tax assessment.

## **Town of Stallings Capital Maintenance and Improvement Infrastructure Plan (CMMIIP)**

The Town adopted a Capital Maintenance and Infrastructure Improvement Plan (CMIIP) in June of 2013 which was later amended in December of 2014. The policy was adopted “to ensure that planning for future large scale maintenance and infrastructure projects are properly and formally considered and aligned with Council’s strategic direction and that funding for such efforts is identified and forecast so that these identified efforts and projects are executed in a timely and scheduled manner and are financially sustainable.”<sup>1</sup>

The CMIIIP is a five-year plan which is updated annually in conjunction with the annual budget process. The CMIIIP will be used along with the Town of Stallings Five-year Financial Plan to evaluate timing and funding for the upcoming capital projects identified on the CMIIIP. The Five-Year Financial plan projects unassigned fund balance which could be for these type projects.

Attached is the most recently approved CMIIIP as well as a copy of the Town of Stallings Capital Maintenance and Infrastructure Improvement Plan Policy.

CMIIIP chart below was adopted by Council in conjunction with the FY2021 Budget in June 2020. Many of the departmental expenses that are considered a necessity in order to perform the operations of the town are already included in the budgeted expenditures and forecasted expenditures of the Five-Year Financial Forecast Plan. The items not included are identified and used in the new projected General Fund Balance chart.

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<sup>1</sup> Town of Stallings Capital Maintenance and Infrastructure Improvement Plan, Policy Purpose, page 1.

## CMIIP Potential Expenditures - Approved June 2020

Potential Projects	2021	2022	2023	2024	2025
<b>Town Connectivity - Parks/Greenways/Trails</b>					
<b>Blair Mill Park</b>					
Site Specific Plan	57,000				
Engineering			500,000		
<b>Blair Mill Greenway (N1)</b>					
Engineering					
Construction					
<b>Blair Mill Park Implementation</b>					
Phase I - Wetland Boardwalk and Environmental Education Platforms					
Phase II - Park Area					
Phase III - Water Lab Area					
<b>Central Stallings Spine - Town Hall and Municipal Park (CS-1)</b>					
Engineering				275,000	
Construction					
<b>Town Connectivity - Sidewalks</b>					
<b>Sidewalks:</b>					
Lawyers Road (2A)					340,000
Lawyers Road (2B) (Buckingham to end of jurisdiction) (S-7)					340,000
<b>Equipment</b>					
Computer Equipment - Repair/Replacement Plan Annually	42,000	50,000	50,000	50,000	50,000
Police Department - Fleet Repair/Replacement Plan Annually	77,000	115,000	117,875	120,822	123,842
Police Department - Lexipol policy Manual and Guardian Tracking	13,500	12,000	12,000	12,000	12,000
Police Department - Body Camera Replacement	33,776	14,493	14,493	14,493	14,493
Police Department - In-Car Camera Replacement	65,486	27,864	27,864	27,864	27,864
Public Works - Current Town Hall Beautification					
Public Works -HVAC Repairs/Replacement	20,000	20,000	20,000	5,000	5,000
Public Works - Smart Meter Installation - Delayed		4,900			
Public Works - Kubota Mini Excavator with Trailer	46,000				
Public Works - Kubota 4WD Tractor (net of John Deere trade-in)	10,000				
Public Works - Dump Trailer	5,000				
Public Works - Lift for Maintenance Shop	7,000				
Public Works - Buildings and Grounds Repairs Contingency	10,000				
Public Works - Vehicle Replacement					50,000
Park & Rec - Privette Park Playground Equipment (Cost of \$45K with a \$15K grant)	30,000				
Park & Rec - Single Post Pyramid Shades - Delayed	20,000				
<b>Transportation</b>					
<b>Infrastructure Improvements:</b>					
<b>Streetscape and Signage</b>					
Signage - Street Sign Change	25,000				
Welcome to Stallings & Greenway Signage - Const Documents & Monument Gateway	50,000				
Highway 74 /Monroe Bypass Corridor					
Idlewild Corridor					
Old Monroe Road Corridor					
Stallings Elementary School Area					
<b>Down Town Streetscape</b>					
Phase 1 - Curb, Gutter and Parking on Stallings Road - engineering & construction					
Phase 2 - Add Sidewalks and Streetscape - engineering & construction					
Phase 3 - Plazas and Side Parking - engineering & construction					
<b>Street Resurfacing - Powell Bill</b>	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
<b>Potter Road/Pleasant Plains Intersection</b>	1,700,000				
<b>Chestnut /Weddington Roundabout</b>					
<b>Total General Government CMIIP Expenditures</b>	\$ 2,611,762	\$ 644,257	\$ 1,142,232	\$ 905,179	\$ 1,363,199
Less Items included in Annual Budget for maintenance/replacement	2,412,500	585,000	587,875	575,822	578,842
<b>Additional Funds needed for CMIIP expenditures</b>	\$ 199,262	\$ 59,257	\$ 554,357	\$ 329,357	\$ 784,357

## Updated General Fund Forecast

### Including CMIIP Projects

#### GENERAL FUND - FORECASTED UNASSIGNED BALANCE

	Budget FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning Balance	\$ 4,138,319	\$ 3,700,196	\$ 3,437,012	\$ 4,222,915	\$ 3,763,305	\$ 2,886,931
Less Available Cash needed for Capital Project	\$ (199,262)	\$ (59,257)	\$ (554,357)	\$ (329,357)	\$ (784,357)	\$ -
Add Reimbursed Funds from NCDOT	\$ -	\$ -	\$ 1,508,000	\$ -	\$ -	\$ -
Unassigned Fund Balance Available	<u>\$ 3,939,057</u>	<u>\$ 3,640,939</u>	<u>\$ 4,390,655</u>	<u>\$ 3,893,558</u>	<u>\$ 2,978,948</u>	<u>\$ 2,886,931</u>
Add Current Year Revenues over Expenditures	<u>141,022</u>	<u>165,888</u>	<u>192,007</u>	<u>219,429</u>	<u>248,205</u>	<u>278,390</u>
Total Available before Debt Service Payments	<u>\$ 4,080,079</u>	<u>\$ 3,806,827</u>	<u>\$ 4,582,662</u>	<u>\$ 4,112,987</u>	<u>\$ 3,227,154</u>	<u>\$ 3,165,320</u>
Less CY Debt Service Payments	<u>\$ (379,883)</u>	<u>\$ (369,815)</u>	<u>\$ (359,747)</u>	<u>\$ (349,682)</u>	<u>\$ (340,223)</u>	<u>\$ (330,156)</u>
Net Available Beginning of Next Fiscal Year	<u>\$ 3,700,196</u>	<u>\$ 3,437,012</u>	<u>\$ 4,222,915</u>	<u>\$ 3,763,305</u>	<u>\$ 2,886,931</u>	<u>\$ 2,835,164</u>
Add Minimum Fund Balance Requirement Reserved by Council	<u>2,189,160</u>	<u>2,101,585</u>	<u>2,152,088</u>	<u>2,203,971</u>	<u>2,257,271</u>	<u>2,312,206</u>
Total Funds Available including Council Reserve	<u>\$ 5,889,356</u>	<u>\$ 5,538,597</u>	<u>\$ 6,375,002</u>	<u>\$ 5,967,276</u>	<u>\$ 5,144,201</u>	<u>\$ 5,147,370</u>

Note: FY2026 was not forecasted in the CMIIP so no CMIIP expenditures are used in this year.

In summary, even with the effects CMIIP on projected General Fund Balance the town remains in solid financial position with more than 50% of total fund balance being in Unassigned Fund balance and the Minimum Fund balance required by council. Management believes that with the conservative approach taken in this analysis that we will be able to achieve the long-term goals of the Town while maintaining a fiscally responsible and growing community.

# Town of Stallings

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## Report to the Mayor and Town Council

June 30, 2020

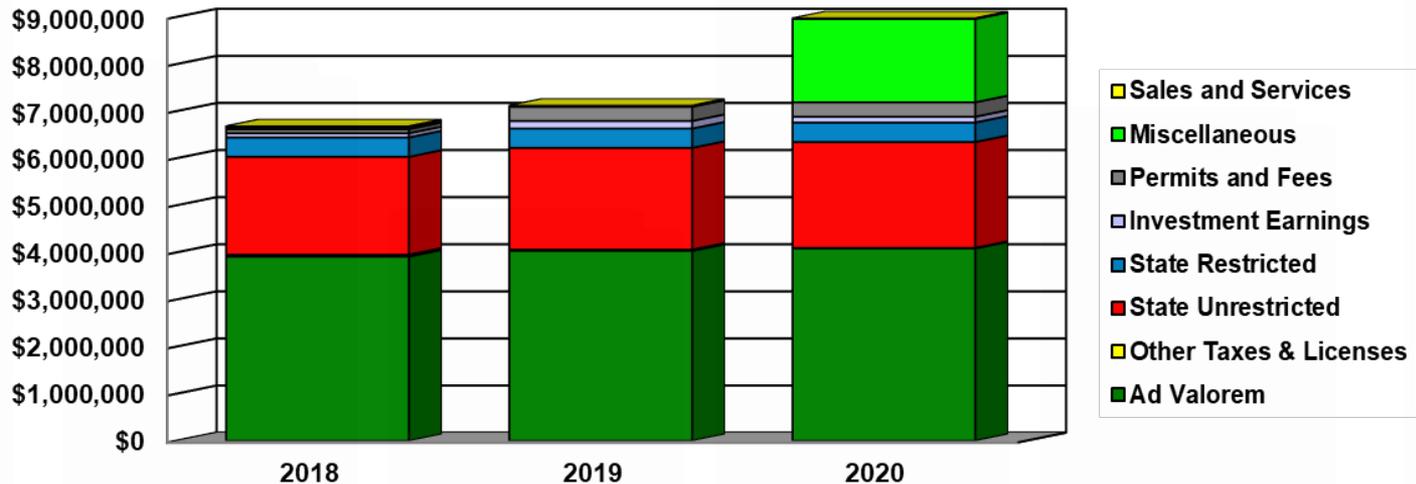


*Presented by  
Potter & Company  
Emily Mills, CPA*

# TOWN OF STALLINGS

## Source of Revenues by Function – General Fund Last Three Fiscal Years

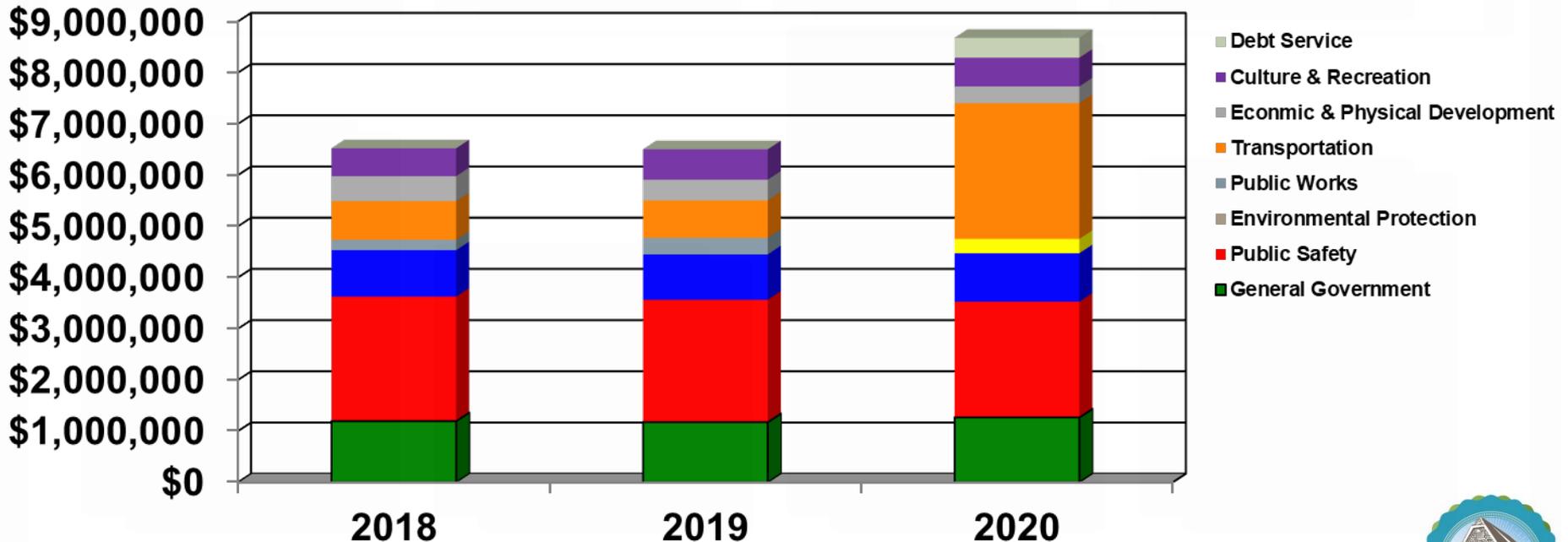
Fiscal Year Ended June 30	Ad Valorem	Other Taxes & Licenses	State Unrestricted	State Restricted	Investment Earnings	Miscellaneous	Permits and Fees	Sales and Services
2018	3,913,632	38,287	2,079,285	411,580	90,526	46,562	85,143	14,687
2019	4,036,118	23,004	2,161,194	412,418	160,338	9,794	300,450	13,467
2020	4,088,572	7,593	2,248,943	414,998	122,514	1,768,680	306,644	14,008



# TOWN OF STALLINGS

## Source of Expenditures by Function – General Fund Last Three Fiscal Years

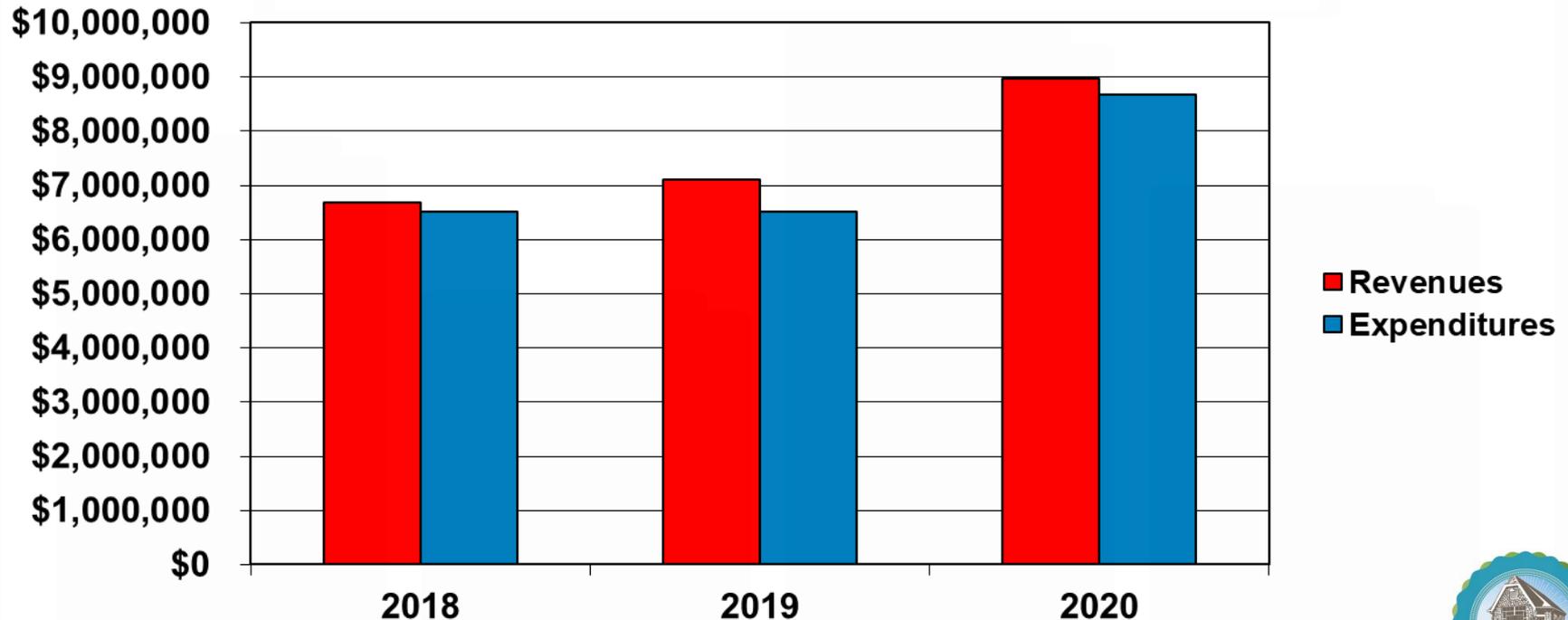
Fiscal Year Ended June 30	General Government	Public Safety	Environmental Protection	Public Works	Public Transportation	Economic & Physical Development	Culture & Recreation	Debt Service
2018	1,194,897	2,431,793	906,820	200,411	755,422	490,294	543,671	-
2019	1,175,978	2,389,097	885,833	323,042	729,619	405,282	595,713	-
2020	1,267,448	2,259,878	945,978	280,456	2,651,446	326,667	559,730	389,115



# TOWN OF STALLINGS

## Revenues Vs. Expenditures – General Fund Not Including Other Financing Sources and Uses Last Three Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
2018	6,679,702	6,523,308	156,394
2019	7,116,783	6,504,564	612,219
2020	8,971,952	8,680,718	291,234

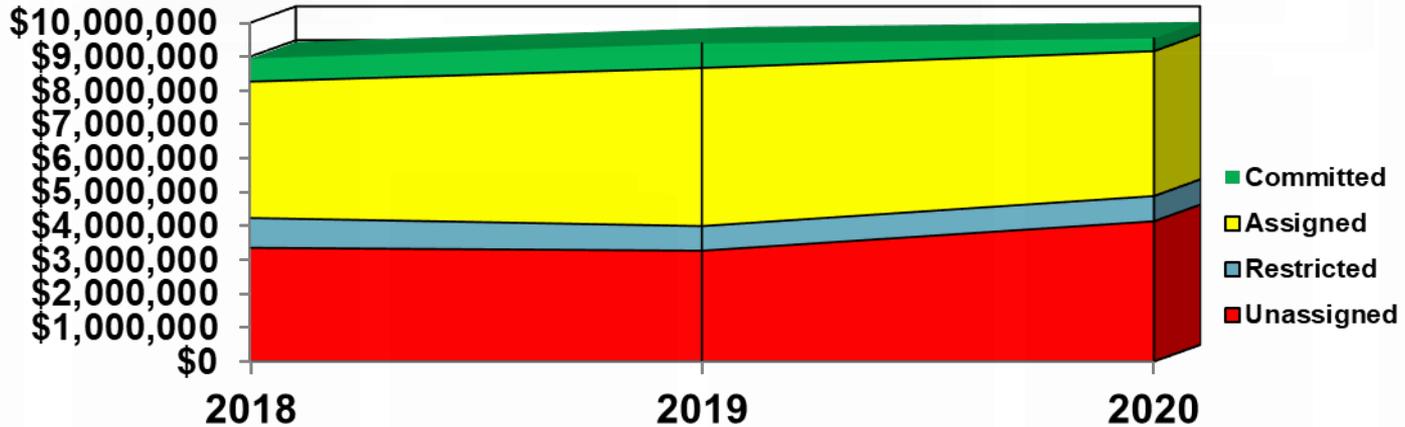


# TOWN OF STALLINGS

## Fund Balance - General Fund

### Last Three Fiscal Years

Fiscal Year Ended June 30	Assigned	Restricted	Unassigned	Committed	Total
2018	4,028,150	881,186	3,355,658	680,043	8,945,037
2019	4,670,840	727,384	3,270,119	724,474	9,392,817
2020	4,280,960	745,913	4,138,319	374,474	9,539,666



# TOWN OF STALLINGS

## General Fund Balances at June 30, 2020 and 2019

	Fiscal year ended <u>2020</u>		Fiscal year ended <u>2019</u>	
<b>General Fund:</b>				
<b>Restricted:</b>				
Stabilization by State Statute	\$ 401,137	4%	\$ 462,389	5%
Drug Forfeiture	53,262	1%	25,545	-
Powell Bill	<u>291,514</u>	<u>3%</u>	<u>239,450</u>	<u>3%</u>
<b>Total Restricted</b>	<b>745,913</b>	<b>8%</b>	<b>727,384</b>	<b>8%</b>
<b>Committed:</b>				
Parks & Recreation	\$ 374,474	4%	\$ 374,474	4%
Chestnut Lane Roundabout	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>4%</u>
<b>Total Committed</b>	<b>374,474</b>	<b>4%</b>	<b>724,474</b>	<b>8%</b>
<b>Assigned:</b>				
Minimum fund balance requirement	\$ 2,189,160	23%	\$ 2,654,040	28%
Subsequent year's expenditures	<u>2,091,800</u>	<u>22%</u>	<u>2,016,800</u>	<u>21%</u>
<b>Total Assigned</b>	<b>4,280,960</b>	<b>45%</b>	<b>4,670,840</b>	<b>49%</b>
<b>Unassigned:</b>				
Unassigned	<u>4,138,319</u>	<u>4%</u>	<u>3,270,119</u>	<u>35%</u>
<b>Total Unassigned</b>	<b>4,138,319</b>	<b>43%</b>	<b>3,270,119</b>	<b>35%</b>
<b>Total General Fund</b>	<b>9,539,666</b>	<b>100%</b>	<b>9,392,817</b>	<b>100%</b>



# TOWN OF STALLINGS

## Real Property Assessed Levy

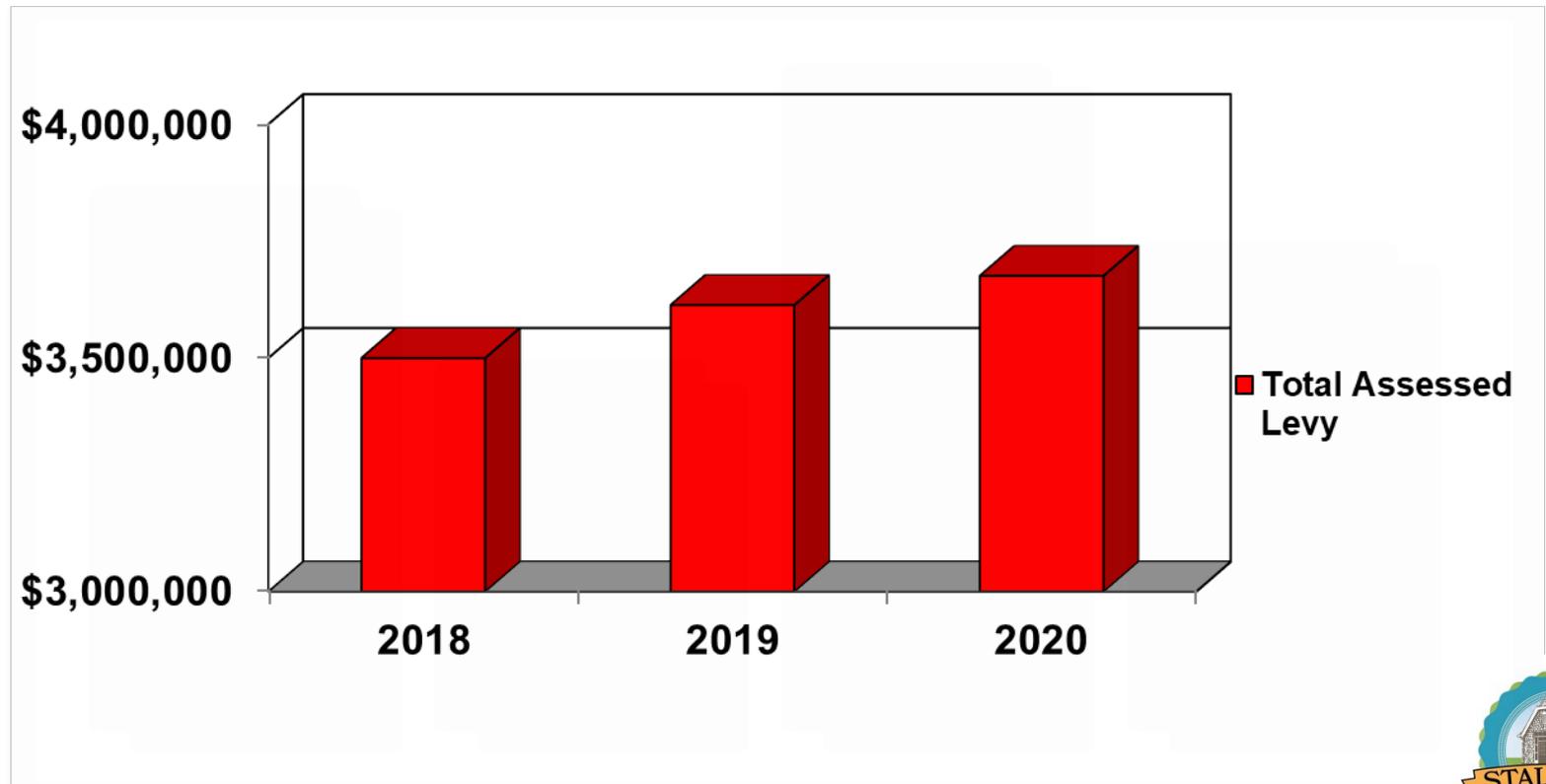
### Last Three Fiscal Years

Fiscal Year Ended June 30

2018  
2019  
2020

Total Assessed Levy

3,499,353  
3,612,794  
3,675,178

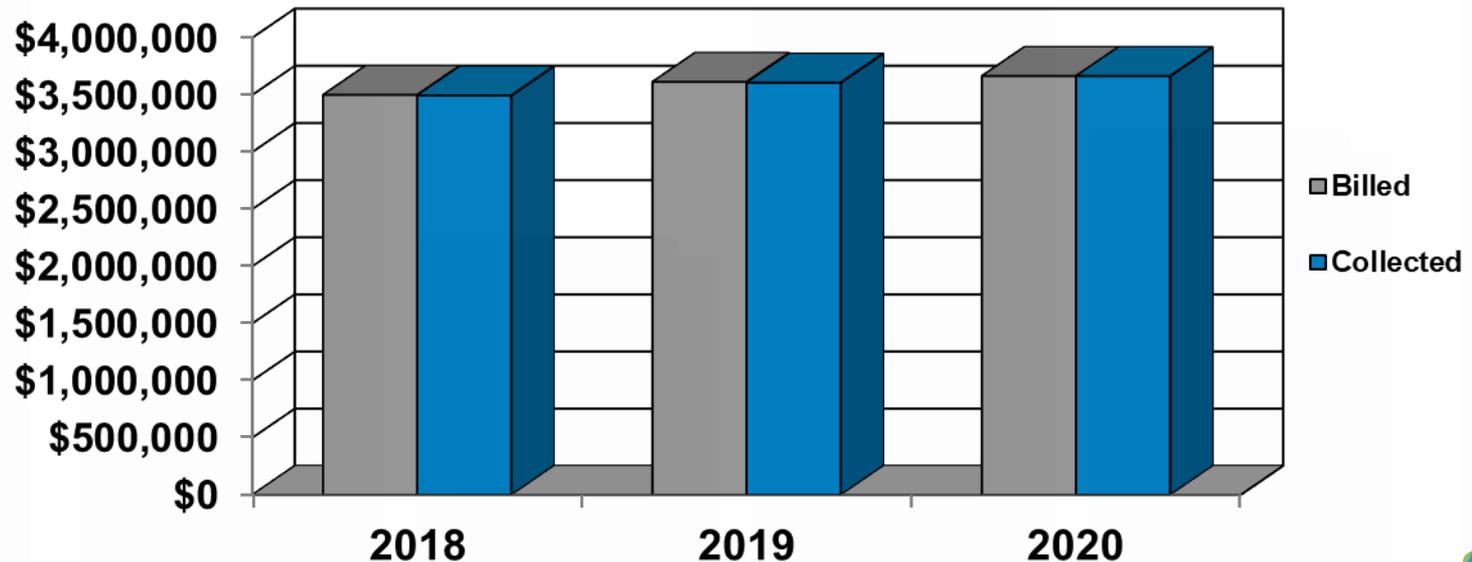


# TOWN OF STALLINGS

## Collections of Real Property Taxes

### Last Three Fiscal Years

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Total Net Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current</u> <u>Tax Collected</u>
2018	3,499,353	3,494,302	99.86%
2019	3,612,794	3,606,319	99.82%
2020	3,675,178	3,664,286	99.70%





# MEMO

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To: **Mayor and Town Council**  
Via: Alex Sewell, Town Manager  
From: Christopher J. Easterly, P.E., Town Engineer  
Date: 01-05-2021  
RE: Callonwood Sidewalk Repair Update  
Sidewalk Maintenance Policy

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## **Callonwood Sidewalk Repair**

**Update:** At the 12-14-2020 Town Council Meeting, Staff was directed to acquire estimates to remove demolish and replace 757 square feet of sidewalk in the Callonwood subdivision. These sections of sidewalk cannot be repaired by the Precision Safe Sidewalk proprietary saw cutting method. To date, Staff has received one contractor's estimate and has engaged two others. Typically, during the holiday season, construction work slows down, and personnel are out of the office.

**Request:** Staff is requesting approval to execute contract, not to exceed \$10,000, with the lowest responsible bidder.

## **Sidewalk Maintenance Policy**

**Purpose:** To provide background and a recommendation on the Sidewalk Maintenance Policy.

**Background:** At the 12-14-2020 Town Council Meeting, Staff was directed to develop a Sidewalk Maintenance Policy. This policy outlines the inspection, inventory, and maintenance procedures with respect to sidewalk infrastructure. Legal has reviewed the policy and it is enclosed for the Council to consider.

**Recommendation:** Staff recommends approval of the Sidewalk Maintenance Policy.



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Town of  
**Stallings**

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315 Stallings Road ▪ Stallings, North Carolina 28104

## **Sidewalk Maintenance Policy**

According to the North Carolina Department of Transportation's Street-Aid (Powell Bill) Program, maintenance of sidewalk located within right-of-way maintained by the municipality is generally the responsibility of that municipality. The Powell Bill program provides funds for construction and maintenance of sidewalks along public streets. The purpose of the Sidewalk Maintenance Policy is to formalize inspection, inventory, and maintenance procedures with respect to sidewalk infrastructure management and balance fiscal responsibility with public safety on municipal sidewalks.

### **Inventory and Inspection**

An inventory of all sidewalks in public right-of-way will be maintained by the Engineering and Public Works Department, which will include a history of inspections, construction, and maintenance information. Town sidewalks will be inspected on a rotating basis with a maximum time between inspections of 3 years. Please refer to 93.01 in Town Ordinance for resident responsibilities to help maintain safe conditions on sidewalks. The Town has the ability to remove the obstruction and assess the cost to the property owner. Citizens may also request sidewalk inspection by emailing the Engineering or Public Works Department. Once the request is documented, an inspection will be performed within five (5) working days. The sidewalk in question will be given a severity rating and an estimated time to complete repairs.

### **Sidewalk Repair Assessment**

In determining if a section of sidewalk is eligible for repair under this policy, the following criteria will be used:

Severity Rating	Sidewalk Assessment Criteria		Schedule
	Cracks or Opening	Vertical Separation	
3	Greater than 3/4"	Greater than 1"	2-6 calendar weeks
2	Between 1/2" and 3/4"	Between 1/2" and 1"	Spring of Fiscal Year
1	Between 1/8" and 1/2"	Between 1/4" and 1/2"	None (Ongoing Monitoring)

As funds are allocated, sidewalk sections rated 2 or 3 will qualify for repair, while sections ranked a 1 will be monitored on a yearly basis.

When sidewalk repairs and/or replacement are necessitated due to the impact of utility systems, the appropriate utility system owner will be notified that they are responsible for the repair and/or replacement for the sidewalk.

### **Sidewalk Repair Methods**

Repair methods to be utilized by the Town vary and may include, but not limited to:

- Removal and Replacement
- Edge Grinding
- Crack Sealing

### **Sidewalks along Private Streets**

Sidewalks along private streets are the responsibility of the Homeowners Association or the street's residents.

### **Common Law Duty**

This policy shall in no way enlarge the common law duty of the Town to make repairs to sidewalks.



# MEMO

To: Mayor and Council  
From: Alex Sewell, Town Manager  
Date: 1/6/21  
RE: **2021 Annual Retreat**

**Purpose:** To propose a framework for the 2021 Annual Retreat and seek Council direction.

**Background:** The Town Council holds a special meeting each year, known as the Annual Retreat, for the purpose of setting priorities and planning for the upcoming year. This meeting is important because it allows for the Town to establish its official priorities for the year, provides staff with direction on which priorities to work towards, and serves as an opportunity for Town officials to step back from micro issues and think big picture. The meeting is often held in a location other than the typical Council Meeting location with a facilitator assisting the Council in efficiently identifying its top priorities.

**2021 Retreat:** It appears that several of the priorities set at the 2020 Annual Retreat will be multi-year priorities due to their nature, pandemic related challenges, and/or staff time limitations to dedicate to these priorities (in addition to operations). For example, creating a downtown is a naturally a multi-year endeavor that takes a massive staff time resource commitment, while the transportation master plan has not been able to be updated because the transportation advisory committee has not been able to meet due the pandemic.

After listening to feedback from Council Members, given that the Council has tabled the downtown recommendations to the Annual Retreat, observing that there are no new Council Members for the first time in several years, and noting that adding additional goals would dilute efforts towards existing priorities (and make achievement less likely), staff would suggest a different approach to the 2021 Annual Retreat. Specifically, this different approach would be that the Town would view the 2020 priorities as 2+ year priorities, reaffirm those priorities, review progress towards priorities, identify success benchmarks for the next 12 months, and focus on downtown creation implementation.

If Council agrees with this different approach, here is a draft agenda for consideration:

- 1.) Welcome
- 2.) Team Building Activity (Optional)
- 3.) Review Reaffirmed Priorities
  - a. Staff Review Progress Towards Each Priority .
  - b. Define success over next 12 months.
  - c. Overview of barriers to success.
- 4.) Downtown Implementation
  - a. Expert Panel

b. Downtown Committee Recommendations (Tabled from 12/14/20)

- 5.) Retreat Feedback
- 6.) Miscellaneous Discussion (*Dunn*)
- 7.) Adjournment

Under this approach, no outside facilitator would be recommended and the Town Manager would serve as the defacto facilitator/moderator. Please note that I spoke about the general concept of this approach with Mayor Dunn and he is supportive. Alternatively, the Town could go through the traditional priority setting process from scratch. Given the realities discussed above, there are some clear cons to this approach. For example, the limited timeframe would make it less likely that the Council would ultimately achieve both existing priorities and any future major priorities set.

**Date/Time/Location:** Staff sent out a poll to determine the best date to hold the Annual Retreat. The only date that would work for all respondents was Saturday, February 27, 2021. Based on these responses, staff suggest using this date.

Another issue is whether to hold the Annual Retreat in-person or virtually. Staff are seeking Council direction on this. If Council does choose to hold the meeting in-person, staff would suggest holding it in the lobby of the New Town Hall, which will give participants ample space to spread out, and following strict COVID precautions.

**Next Steps:**

If Council agrees with the different approach to the Annual Retreat, then staff recommends:

- Approving the suggested different approach for the 2021 Annual Retreat.
- Reaffirming Council 2020 priorities for 2021.
- Approving the sample agenda.
- Setting the Annual Retreat Date for February 27, 2021 from 9 AM to 2 PM with location to be determined by the Council.



**Resolution in Support of the Village of Wesley Chapel Desiring Low-Density Zoning of County Areas Surrounding Wesley Chapel**

**WHEREAS**, the Town of Stallings and the Village of Wesley Chapel are participating members of the Western Union Municipalities Alliance (WUMA): and

**WHEREAS**, Village of Wesley Chapel requests the Union County Board of County Commissioners listen to the desires of the citizens and stay consistent with existing low-density County and Village zoning of surrounding parcels; and

**NOW, THEREFORE, BE IT RESOLVED** that the Town of Stallings supports the Village of Wesley Chapel's request to Union County and therefore encourages Union County Board of County Commissioners to approve the Village of Wesley Chapel's request.

This resolution is adopted this the 10<sup>th</sup> day of January, 2021.

\_\_\_\_\_  
Wyatt Dunn, Mayor

SEAL

\_\_\_\_\_  
Erinn E. Nichols, Town Clerk

Approved as to form:

\_\_\_\_\_  
Cox Law Firm, PLLC