



January 10, 2022
 Stallings Government Center
 321 Stallings Road
 Stallings, NC 28104
 704-821-8557
www.stallingsnc.org

Town Council Agenda

	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. Minutes (1) 12-13-2021	Wyatt Dunn, Mayor	
2.	7:17 p.m.	Reports A. Report from Mayor B. Report from Council Members/Town Committees C. Report from Town Manager/Town Departments <i>Potter/Pleasant Plains Update</i>	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> Motion: 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.	Police Department Incentive Pay	Dennis Franks, Police Chief	Approve/Deny pay
5.	8:00 p.m.	Blair Mill Park Playground Implementation Costs	Ashley Platts, Director of Parks and Recreation	Approve/Deny implementation costs
6.	8:15 p.m.	DFI Contract	Alex Sewell, Town Manager	Approve/Deny contract
7.	8:30 p.m.	Financial Items (A) Audit Letter (B) Five Year Plan	Marsha Gross, Finance Officer	Information and discussion

8.	9:00 p.m.	Backyard Chicken Ordinance	Max Hsiang, Town Planner Kolleen Dickinson, Code Enforcement	Approve/ordinance
9.	9:10 p.m.	Closed Session Pursuant to NCGS143-318.11(a)(5) and (6) <i>Parcel 07129315, 132 Stallings Road</i>	Wyatt Dunn, Mayor	Adjourn into closed session
10.	9:30 p.m.	Adjournment	Wyatt Dunn, Mayor	Motion to adjourn

**MINUTES OF TOWN COUNCIL MEETING
OF THE
TOWN OF STALLINGS, NORTH CAROLINA**

The Town Council of the Town of Stallings met for its regular meeting on December 13, 2021, at 7:00 p.m. at the Stallings Government Center, 321 Stallings Road, Stallings, North Carolina.

Those present were: Mayor Pro Tempore Lynda Paxton; Council Members Steven Ayers, Taylor-Rae Drake; Heather Grooms, Graham Hall; Brad Richardson, and David Scholl.

Those absent were: Mayor Wyatt Dunn

Staff present were: Alex Sewell, Town Manager; Erinn Nichols, Assistant Town Manager/Town Clerk; Mary McCall, Deputy Town Clerk; Chief Dennis Franks; Max Hsiang, Town Planner; Matthew West, Planning Technician; Brian Price, Public Works Director; Marsha Gross, Finance Officer; Melanie Cox, Town Attorney; Mac McCarley, Town Planning Attorney.

Invocation, Pledge of Allegiance and meeting called to order

Mayor Pro Tem Lynda Paxton welcomed everyone to the meeting and Council Member Ayers delivered the invocation. Mayor Pro Tem Paxton then led the Pledge of Allegiance and called the meeting to order.

Public Comments

Samuel Kiser, 225 Aurora Blvd, congratulated board members on their new/re-appointments. He was concerned about the resolution to purchase the John Deere property, the transparency, and purchase price. He felt it did not seem like a good deal based on the list price. Mr. Kiser asked the Council if it would make this kind of deal personally. If it was not a good deal, why was the Council looking to purchase it? Mr. Kiser wanted to know what the Council planned on doing with the property. He felt that Charlotte area consultants were not good and could not be relied on for this type of decision. Mr. Kiser stated he grew up in Stallings and felt that (got emotional) he had seen too much farmland turned into houses.

Julie Filter, 1215 Privette Park Place, reiterated what she said at the last Stallings meeting about pulling Stallings into standards of neighboring towns regarding and allowing backyard chickens.

Maria Bradcock, Stallings, supported the amendment to allow backyard chickens as chickens were emotional support animals for her son.

Joyce Rupert said thank you to the Council for addressing all of her concerns: the sugar shacks; grass height along Monroe Road; and her backyard flooding on Fresia Place. She appreciated the Council's effort and wished everyone happy holidays and a good 2022.

1. Approval of Consent Agenda Items

A. Minutes from the following meetings:

- (1) 10-07-2021 – closed
- (2) 10-11-2021
- (3) 10-11-2021 – closed
- (4) 10-14-2021 – emergency
- (5) 10-14-2021 – closed
- (6) 10-20-2021 – special
- (7) 10-20-2021 – closed
- (8) 11-08-2021 – special
- (9) 11-08-2021 – closed - 1 of 2
- (10) 11-08-2021
- (11) 11-08-2021 – closed 2 of 2
- (12) 11-16-2021 – special
- (13) 11-16-2021 – closed
- (14) 11-17-2021 – special
- (15) 11-17-2021 – closed
- (16) 11-22-2021
- (17) 12-06-2021 – special
- (18) 12-06-2021 – closed

B. Request staff to draft ordinance allowing chickens under certain conditions (*Grooms*)

C. Resolution Adopting NCDOA New Retention Schedule Update

D. Employee Christmas Bonus

E. Freesia Court Drainage Improvement Project

F. Downtown Streetscape Work & Grant Authorization Staff Recommendations

Council Member Richardson made the motion to approve the Consent Agenda Items with removing Consent Agenda Item 1.B. *Request staff to draft ordinance allowing chickens under certain conditions (Grooms)* and adding it to the regular Agenda as Agenda 11, moving original Agenda Item 11, *Adjournment*, to Agenda Item 12 as well as renaming Agenda Item 1.D. as *Employee Christmas Bonus*. The motion was seconded by Council Member Scholl which passed unanimously by Council. The Resolution Adopting NCDOA New Retention Schedule Update is attached to these minutes and therefore incorporated herein.

2. Reports

A. Report from the Mayor

Mayor Dunn was not present to give a report.

B. Reports from Council Members/Town Committees

Council Member Paxton, as it was her last meeting with the Town Council, shared her experience with being Mayor and member of Council. Ms. Paxton first ran for Mayor in 2015 due to the fact that she did not like the way Town was going at that time. Council Member Paxton was proud of where the Town

had come from and where the Town was headed. She thanked the people as the only purpose of government was to serve the people. Ms. Paxton expressed her gratitude.

Council Member Scholl announced he was selected to participate in 2022 Advanced Leadership Corp. in Chapel Hill.

Council Members Grooms, Ayers, and Richardson had no reports.

C. Report from Town Manager/Town Departments

Town Manager Sewell reported on the following:

- Christmas Tree Lighting was a success and thanked the staff and Council for their efforts with that event.
- Quantitative roadway assessment was being done throughout the Town by Kimley-Horn.
- New Council Member Bootcamp had been scheduled for early January.
- The Essentials of Local Government Course the Council had chosen would be January 6 and 7, 2022
- A speaker has been secured for the Council's annual retreat, Curt Walton.

Police Chief Franks presented the Council with the Stallings Police Department Incentive Plan. This presentation is attached to these minutes and therefore incorporated herein. The plan would be brought to Council in January for formal approval.

3. Agenda Approval

Council Member Paxton requested adding *Request staff to draft ordinance allowing chickens under certain conditions (Grooms)* as Agenda Item 11, moving *Adjournment* to Agenda Item 12, per Consent Agenda action.

Council Member Richardson made the motion to approve the Agenda with the above listed changes. The motion was seconded by Council Member Ayers and passed unanimously.

4. Stinson Farms

Planning Attorney Mac McCarley summarized the Stinson Farms issue for the Council and the public:

- A Conditional Zoning (CZ) application for Stinson Farms was received by the Town of Stallings in 2019. Council negotiated with developers for 18 months to order to have the plan match the Town's comprehensive land use plan.

- April 2021: The development agreement (DA) associated with the Stinson Farms project was defeated by the Council and the therefore the CZ application was removed by the developer.
- Several months later, the developer filed a lawsuit against the Town with several claims including the Town's lack the authority to require a DA as a part of a rezoning; the decision to deny was arbitrary and capricious and violated due process; and the decision was less favorable to the developer than the Town had been to other developers.
- The developer's demand was a by-right development under MU2, attorney's fees and significant damages.
- The Town's response was that the statute was silent on the issue and there was no case law on the issue making the case a 50/50 case; winner take all case with no middle ground.
- Town began negotiations immediately with a mediated settlement conference on November 4, 2021, starting with the April 2021 site plan, DA, and CZ plan as the base.
- The parties' negotiations included:
 - Developer
 - Received amendment to the DA and site plan which allowed the swapping out of 27 townhomes for three apartment buildings; net increase of 45 units
 - Received one additional fast-food restaurant on Idlewild
 - Town
 - Received additional buffers at Ansley Court; 100 ft. buffer with a 5' brick wall without taking out mature trees. New evergreen trees would be planted on the outside of the walls so the existing residents would see the trees first.
 - Received a guarantee that one of the development parcels on Idlewild would be a full-service restaurant; not receiving more than five certificates of occupancy for property along Idlewild Road until the developer has at least a zoning compliance permit for that restaurant
 - No attorney's fees or damages to the plaintiff
 - Avoided the risk of maximum development without any concessions
 - Preserves the developer obligations for roadway improvements from Stevens Mill to the CZ site.

Planning Attorney McCarley recommended settling the lawsuit with the above terms as well as approving CZ12.02.01. He also recommended approving the settlement in open session.

(A) CZ21.02.01

Mayor Pro Tem Paxton opened the public hearing and Town Planner Hsiang presented the Council with the information on CZ21.02.01. The applicant was requesting CZMU2 to allow one multi-family unit with 24 dwelling units; any non-residential uses permitted by right in the MU-2; convenience store with a gas pump OR restaurant with a drive-thru window; and 5 year vested rights. Mr. Hsiang's presentation to Council is attached to these minutes and therefore incorporated herein.

Staff stated the request was inconsistent with the land use plan. The Planning Board recommended denial of the CZ by a 3 to 2 vote because it was inconsistent with the future land use plan.

Kevin Lindsay, 5639 Anglesy Court, thanked Mayor Pro Tem Paxton for her service. He also requested his time be yielded to Jeannie Lindsay and voiced support of Jeannie's, his wife, comments.

Jeannie Lindsay, 5639 Anglesy Court, stated land use plans were developed long before the Stinson Farm application. The lawsuit filed did not reflect the vision of the Town. The residential use would cause noise complaints. Homes in the area would have to deal with noise and air pollution due to I485. Real estate websites now used noise level as filter. Why was the Town doing this to the people who could only afford this housing (noise and pollution)? The development was unreasonable. It was a no-win lawsuit for the Town. The traffic issue on Idlewild was already present and NCDOT would widen to six lanes with this development. The project was not in keeping with land use plan and a meeting with an HOA was not considered a public hearing. Shannamara was not notified because it wasn't within 500 ft. of the project but would stand to be affected by the project. It appeared the developers wanted the CZ to be a part of the overall site plan but only the CZ boundaries were used for notification requirements. She felt the Town had to get to the root cause which was to decide which of the Town documents had weight. Ms. Lindsay requested that the Council's vote to be postponed and wanted the CZ application to be sent back to the applicant for revision.

Attorney Jon Carmichael on behalf of the applicant added there were architectural standards for commercial and multifamily buildings. A Traffic Impact Analysis was done for Stinson Farms and transportation improvements would be done along Idlewild. As far as land use consistency, he felt it was consistent with the Town's policy.

Mayor Pro Tem Paxton closed the public hearing. Council discussed and voiced their opinions on the CZ. Council Member Richardson then made the motion to approve CZ21.02.01 which was seconded by Council Member Ayers. The motion passed unanimously by Council.

Council Member Scholl made the motion to approve the Statement of Reasonableness and Consistency for CZ21.02.01 which found most of the uses as consistent and that the request was consistent with the adjacent development. The motion was approved unanimously by Council after a second by Council Member Grooms. The Statement of Reasonableness and Consistency for CZ21.02.01 is attached to these minutes and therefore incorporated herein.

(B) Settlement Agreement

Council Member Richardson made the motion to approve the Settlement Agreement for Stinson Farms. Council Member Scholl seconded the motion to which Council passed unanimously. The Settlement Agreement for Stinson Farms is attached to these minutes and therefore incorporated herein.

5. RZ21.08.06 – 132 Stallings Road - Rezoning from TC to SFR-1
This item was removed from the Agenda.

6. TX21.11.04 – Table 8.1: Table of Uses Update

Mayor Pro Tem Paxton opened the public hearing. Town Planner Hsiang gave the Council a summary of the changes proposed to the Table of Uses. Mr. Hsiang's memo to Council with the changes is attached to these minutes and therefore incorporated herein.

The Planning Board approved the changes on 12-13-2021 with the recommendation of lumping uses together into categories next time more changes were brought to the board. Mayor Pro Tem closed the public hearing.

Council Member Ayers made the motion to approve TX21.11.04 – Table 8.1: Table of Uses Update which was seconded by Council Member Scholl. The motion received Council's unanimous support.

Council Member Scholl made the motion to approve the Statement of Reasonableness and Consistency for TX21.11.04 – Table 8.1: Table of Uses Update. The motion was approved unanimously by Council after a second by Council Member Ayers. The Statement of Reasonableness and Consistency for TX21.11.04 – Table 8.1: Table of Uses Update is attached to these minutes and therefore incorporated herein.

7. Resolution for Purchase of 2725 Old Monroe Road

Town Manager Sewell explained that the one of the Council priorities was to create a downtown and property site control was a key part of the downtown according to the Downtown Action Plan especially in the Town Center Area. Council then gave its individual opinions on the creating a downtown and purchasing property in order to do that. The plan for the property was to partner with a developer to develop a public private partnership for creating a downtown.

Council Member Scholl made the motion to adopt the Resolution for Purchase of 2725 Old Monroe Road. The motion was passed unanimously after a second from Council Member Ayers. The Resolution for Purchase of 2725 Old Monroe Road is attached to these minutes and therefore incorporated herein.

8. Recognition of Outgoing Council Member Lynda Paxton

On behalf of Mayor Wyatt Dunn, Town Manager Sewell presented Council Member Lynda Paxton with a Proclamation and plaque for her service. The Proclamation in Recognition of Outgoing Council Member Lynda Paxton is attached to these minutes and therefore incorporated herein.

Assistant Town Manager Nichols also read into the record sentiment from Mayor Wyatt Dunn for Council Member Paxton. These sentiments are attached to these minutes and therefore incorporated herein.

9. Oaths of Office

A. Re-appointed Council Members

Brad Richardson

David Scholl

B. New Council Members

Taylor-Rae Drake

Graham Hall

Town Clerk Nichols gave each of the above Council Members their Oaths of Office. These Oaths of Office are attached to these minutes and therefore incorporated herein.

Clerk Note: Due to the Mayor's absence, Mayor Wyatt Dunn took his Oath of Office on Tuesday, January 4, 2022. Mayor Dunn's Oath of Office is also attached to these minutes and therefore incorporated herein.

Council took a recess at 8:40 p.m. and reconvened at 8:46 p.m.

Newly appointed Council Members Drake and Hall took their places at the Council Dias. Town Manager Sewell called the meeting back to order in the absence of the Mayor and a Mayor Pro Tem.

10. Organizational Meeting Items

A. Appointment of Mayor Pro Tempore

Council Member Ayers made the motion to appoint Council Member Scholl as Mayor Pro Tem. The motion was passed unanimously after a second from Council Member Grooms.

Mayor Pro Tem Scholl then presided over the meeting.

B. Appointment of Charlotte Regional Transportation Planning Organization (CRTPO) alternate delegate. (The Mayor is the automatic delegate.)

Mayor Pro Tem Scholl would serve as the CRTPO alternate delegate.

Clerk's Note: On 12-14-2021, Mayor Dunn changed this appointment. Council Member Richardson was appointed as the CRTPO delegate in place of Mayor Pro Tem Scholl.

C. Appointment of Centralina Regional Council (CRC) delegate and alternate
Mayor Pro Tem Scholl would be the CRC delegate and Council Member Ayers would be the CRC alternate.

D. Appointment of Council Members for the following committees:
All terms are for two (2) years.

(1) Planning Board/Board of Adjustment
Mayor Pro Tem Scholl

(2) Parks and Recreation Committee
Council Member Ayers and Grooms

(3) Public Safety Advisory Committee
Council Member Grooms and Hall

(4) Transportation Advisory Committee
Mayor Pro Tem Scholl and Council Member Richardson

(5) Stormwater Advisory Committee
Council Members Ayers and Hall

(6) Historical Committee
Council Members Drake and Grooms

(7) Union County Public Schools
Council Member Drake

(8) QUAD Alliance
Mayor Dunn

(9) WUMA
Council Member Ayers

(10) Economic Development Committee
Mayor Pro Tem Scholl and Council Member Richardson

(11) Technology Committee
Mayor Pro Tem Scholl and Council Member Ayers

E. Rules of Procedure re-adoption

Council Member Richardson made the motion to re-adopt the Rules of Procedures. The motion was seconded by Council Member Ayers and passed unanimously.

F. Approval of 2022 Meeting Schedule

Council Member Drake made the motion to approve the 2022 Meeting Schedule. The motion was passed unanimously after a second by Council Member Richardson.

G. Approval of 2022 Holiday Schedule

Council Member Hall moved to adopt the 2022 Holiday Schedule. Council Member Grooms seconded the motion which was passed unanimously by Council.

H. Annual Retreat – Feb. 12, 2022

Council Member Richardson made the motion to hold the Town Council Annual Retreat on February 12, 2022. The motion was passed unanimously by Council after a second by Council Member Hall.

I. Planning Board Alternates (Sewell)

Town Manager Sewell explained there was some confusion as to when a Planning Board Alternate moved into a Full Member position. Council held consensus to have staff research the law on this item and bring back to Council for recommendation in January.

11. Request staff to draft ordinance allowing chickens under certain conditions (Grooms)

Council Member Grooms requested Council feedback on backyard chickens and whether or not the Council was interested in pursuing an ordinance change on this topic.

Council Member Richardson made the motion to have staff bring back a draft ordinance allowing backyard chickens for Council consideration. Council Member Hall seconded the motion. The motion passed by a 5 to 1 vote with Mayor Pro Tem Scholl opposing.

12. Adjournment

Council Member Richardson moved to adjourn the meeting, seconded by Council Member Ayers, and the motion received unanimous support. The meeting was adjourned at 9:37 p.m.

Approved on _____, 2022.

Wyatt Dunn, Mayor

Erinn E. Nichols, Town Clerk

Approved as to form:

Cox Law Firm, PLLC

DRAFT

DRAFT



MEMO

To: Town Council

From: Alex Sewell, Town Manager

Date: 1/6/22

RE: Status Update - U-5112 – Potter-Pleasant Plains Intersection

Purpose: This memorandum’s purpose is to provide background and an update on the above referenced project.

Background:

- The Town has been working in partnership with NCDOT and Union County to expedite needed improvements to the intersection of Potter Road and Pleasant Plains Road using a mix of local and State/Federal funds.
- For a complete project background, please find an enclosed memorandum dated 6/23/21 which is enclosed below and incorporated by reference.
- Please see an estimated breakdown of expenditures as of 6/22/21, estimated future expenses, and funding in the table below. **Unless otherwise noted, please note that these numbers are preliminary estimates. They can and likely will change for a variety of reasons as we move closer to and into actual construction. Also, please note that greater the passage of time, the greater the likelihood that these numbers are out of date, especially in the volatile construction environment in the context of a higher inflation economy nationwide.**

POTTER ROAD/ PLEASANT PLAINS SUMMARY				6/23/2021	
<u>ORIGINAL PROJECT FUNDING</u>					
FUND SOURCE	FEDERAL FUNDS AMOUNT	REIMBURSEMENT RATE	NON-FEDERAL MATCH \$ FROM TOWN	NON-FEDERAL RATE	
HSIP	\$825,000	100%		R	
STP - DA	\$1,600,000	80%	\$400,000	20%	
Total	\$2,425,000				
<u>COSTS TO DATE - TOWN OF STALLINGS COSTS</u>					
ITEM	DESCRIPTION	COST (Paid Unless Noted Otherwise)		TOTAL TO DATE	
1	RIGHT OF WAY ACQUISITION	\$1,183,091.59			

2	LEGAL	\$11,459.38	
3	KIMLEY HORN - DESIGN SERVICES	\$436,612.81	
4	THC - ROW ACQUISTION WORK	\$131,549.22	
5	SURVEY	\$760.00	
6	SEPTIC SERVICES	\$4,800.00	
7	DUKE ENERGY UTILITY RELOCATION (INCURRED)**	\$491,436.67	
8	DOT OVERSIGHT (INCURRED)	\$68,589.46	
	TOTAL COSTS PAID & INCURRED (-) DESIGN		\$1,891,686.32
	TOTAL COSTS PAID (-) DESIGN		\$1,559,666.93
TOTAL	TOTAL COSTS PAID & INCURRED TO DATE		\$2,328,299.13

**Paid \$228,006.74 of this amount already.

CONSTRUCTION COSTS - MOVING FORWARD

ITEM	DESCRIPTION	COST	TOTAL ESTIMATED COSTS TO COMPLETE
1	CONSTRUCTION ESTIMATE	\$3,856,439.25	
2	CONTINGENCY + ESCALATION (25%)	\$964,109.81	
3	CEI and NCDOT OVERSITE (20%)	\$771,287.85	
4	STATE SAP COMPUTER COSTS (2.6%)	\$158,165.11	
5	ENGINEER OF RECORD COORD., PLAN UPDATE, BID SUPPORT, ETC.	\$50,000.00	
6	DUKE ENERGY UTILITY RELOCATION (INCURRED)**	\$491,436.67	
7	LANDSCAPING	\$50,000.00	
8	LANDSCAPING DESIGN	\$5,000.00	
	TOTAL ESTIMATED CONSTRUCTION COSTS TO COMPLETE		\$6,346,438.70

**Paid \$228,006.74 of this amount already.

Estimated Construction Betterments			
ITEM	DESCRIPTION	COST	
1	Water & Sewer Upgrades	\$1,360,155.00	
2	Landscaping + Design	\$55,000.00	
3	Mast Arms Upgrade	\$100,000.00	
TOTAL ESTIMATED BETTERMENTS		\$1,515,155.00	
TOTAL ESTIMATED CONSTRUCTION COST MINUS BETTERMENTS		\$4,831,283.70	

ESTIMATED FUNDING AND POTENTIAL OUT OF POCKET COSTS

	DESCRIPTION	FUNDING	REMAINING FUNDING BALANCE
ORIGINAL FUNDING	TOTAL FEDERAL FUNDS	\$2,425,000.00	
	LESS REIMBURSEMENT FROM NCDOT	(\$1,215,505.05)	
	LESS NCDOT OVERSIGHT COSTS INCURRED	(\$68,589.46)	

	REMAINING ORIGINAL FEDERAL FUNDS AVAILABLE		\$1,140,905.49
ADDITIONAL COSTS	Administration, Grant Funding Support, Legal, Misc.	(\$10,000.00)	
	ESTIMATED COSTS INCURRED/TO COMPLETE	(\$6,346,438.70)	
UNION CO FUNDING	COUNTY SEWER REIMBURSEMENT (COSTS INCLUDED ABOVE)		\$936,175.00
	POTENTIAL OUT OF POCKET COSTS BEFORE ADDITIONAL FUNDS*		(\$4,279,358.21)
NEW FUNDING	CRTPO Budget Shortfall Funds Awarded		\$2,197,600
Total	Potential Estimated Out of Pocket*	-	(\$2,081,758.21)
	Additional NCDOT Funds to Be Spent Last on Non-Betterment Costs Above Estimates		\$300,000.00
*Based on estimates. Actual costs could be higher or lower.			

- Per the above chart, the Town’s estimated additional out of pocket cost for this project is **\$2,081,758.21** including a combined 25% contingency and escalation factor.¹ In contrast, the original 2014 agreement with NCDOT appears to contemplate a local commitment of \$400,000 (not including design).
- Any actual costs above estimated/funded amounts would be the Town’s responsibility except for the \$300,000 provided by NCDOT for costs beyond what is estimated/funded for non-betterment work.
- Notably, the Town Council could choose not to fund enhanced landscaping and just have grass around the intersection. This deletion is estimated to save about \$55,000.
- To move forward, the Town would need to enter into a supplemental agreement with NCDOT. The original agreement with NCDOT would otherwise remain valid. Notably, it is estimated to take *at least* a couple months from Town Council giving the authorization to proceed to get a supplemental agreement finalized/executed.
- Please note that staff have worked diligently with representatives from CRTPO and NCDOT and done everything in our power to verify what parts of the project are eligible for reimbursement. Unfortunately, not all items are eligible for reimbursement.
- As discussed at the 6/14/21 Council meeting and subsequently, the American Rescue Plan (ARP) expenditure guidelines are still evolving and there are a lot of unknowns. However, the N.C. League of Municipalities

¹ A larger contingency and escalation factor is recommended due to current construction market conditions and potential timeline.

has advised that previous interim guidance specifically excludes transportation infrastructure projects from eligibility.

- On 6/28/21, staff updated the Town Council on outstanding issues, available options to move forward with the project, and a rough time estimate for beginning construction work.
- On 7/12/21, the Town Council decided to:
 - o Use Town funds to allow NCDOT to add several left turn signal phases to help with traffic congestion.
 - o To continue to press our State elected officials for additional funds.
 - o To continue to press NCDOT for further assistance.
- In early August 2021, NCDOT installed the additional left turn phases at the intersection.
- On 8/18/21, Rep. Arp's office confirmed that the \$1.6 million in the NC House's approved budget could be used towards the Town's local match for the Potter/Pleasant Plains intersection project (if the funding remains after discussions with the Senate, both chambers approved the budget, and then the Governor signs the budget into law).
- On 11/9/21, the Town was informed that the NC Senate had agreed to put \$1.6 million in the state budget but had added language indicating that the \$1.6 million in funding "shall be used exclusively for property owned by the grant recipient city, county, or regional council of government." It was reported to the Town that the Senate put this additional language into the budget over perceived concerns that projects receiving additional grants could unfairly move ahead of other transportation projects on the State's "STIP" ranking system (which prioritizes funding for state transportation projects based on a scoring criteria). However, this additional language is potentially problematic because the Town had requested these funds to help with the Potter/Pleasant Plains intersection and this intersection is mostly owned by the State (and not the Town).
- Subsequently, the Town tried urgently to get this potentially problematic language changed. However, these efforts were unsuccessful as the state budget was signed into law on 11/18/21.
 - o The Town is waiting on a determination from the NC Office of State Budget and Management (OSBM) on whether the Town could use the \$1.6 million in funds towards the purchase of 2725 Old Monroe Road (and thus free up equivalent funds that could be applied towards the Potter/Pleasant Plains intersection project). The timeline for getting a determination range from mid-January to March 2022 (based on estimates received by the Town).
 - o If the Town were to free up \$1.6 million to be applied towards the Potter/Pleasant Plains project, the Town's estimated cost share would be \$481,758.21.

- In November 2021, Town staff discussed with Union County the County's request that the Town redesign part of the utility portion of the intersection project design.
 - o This would cost an estimated \$9,000 for additional cost to do this redesign, result in an estimated \$145,570 in cost savings for the Town in construction costs, and an estimated \$21,250 increase that the County would ultimately be obligated to pay the Town under the applicable interlocal agreement.
 - o The Town would need to verify that this redesign would not affect grant portions of the project, but initial indications are that it would not.
 - o The Town is waiting for confirmation from the County that it is agreeable to moving forward with the design. Staff would suggest that the Town pay the additional design fee of \$9,000 which would be more than offset from the estimated cost savings of \$145,570 to the Town, with the County being responsible for any initial reimbursement cost to the Town (estimated at \$21,250).

Outstanding Items/issues:

- Determination from the NC Office of State Budget and Management (OSBM) on whether the Town could use the \$1.6 million in state funds allocated to reimbursement the Town towards the purchase of 2725 Old Monroe Road (and thus free up equivalent funds that could potentially be applied towards the Potter/Pleasant Plains intersection project). The timeline for getting a determination range from mid-January to March 2022 (based on estimates received by the Town).
 - o Notably, if the Town does not receive a favorable interpretation, one option would be to seek legislation, possibly in partnership with other impacted municipalities in the area, to allow the Town to use the \$1.6 million in funds towards the intersection project.
- Updating plans and permits. There are two factors in this:
 - o 1.) As indicated above, the County has requested utility design changes and the Town is waiting on confirmation from the County that the arrangement proposed above is acceptable (i.e. the Town paying the additional design fee of \$9,000, the Town receives the \$145,570 in estimated cost savings, and the County's estimated reimbursement obligation increases by \$21,250). If the County agrees, then the Town Council would subsequently need to approve this approach.
 - o 2.) Due to the passage of time, several items have expired. If/when the Council decides to move forward, it will likely take several

months of work to get the project let. The longer the passage of time, the greater the likelihood that this timeframe increases as plans and costs get more out of date.

- NCDOT supplemental agreement – This will likely take at least a couple months from Council authorizing approval to having a final executed supplemental agreement.
- CEI Selection – This could be done concurrently with the permit updating and letting process and is not projected to cause any further delays.



MEMO

To: Town Council

From: Alex Sewell, Town Manager

Date: 6/23/21

RE: U-5112 – Potter-Pleasant Plains Intersection **PROVIDED FOR REFERENCE/BACKGROUND**

Purpose: This memorandum’s purpose is to provide background, an update on the above referenced project, and seek Council direction.

Background:

- The Town has been working in partnership with NCDOT and Union County to expedite needed improvements to the intersection of Potter Road and Pleasant Plains Road using a mix of local and State/Federal funds.
- In January 2014, the Town entered into two separate agreements, one with NCDOT and the other with Union County.
 - o The 2014 Union County agreement called for the County to be responsible for certain sewer improvements.
 - o The 2014 NCDOT agreement is enclosed below. This was agreed to be a locally administered project with NCDOT providing oversight. Here is the agreement’s funding table:

Funding Source	Federal Funds Amount	Notes
HSIP (Federal)	\$825,000	Reimbursable
STP-DA (Federal)	\$1,600,000	Reimbursable
STP-DA (Local)	\$400,000	Non-Reimbursable
Total NCDOT Agreement	\$2,825,000	
Total Reimbursed	\$2,425,000	

- This agreement specifies that activities eligible for reimbursement include:
 - ROW acquisition;
 - Utility relocation; and
 - Construction.
- Please note that the above list does not include design costs, which is to be covered 100% by the Town (except for some utility work agreed to by the County) and is in addition to the \$400,000 Town commitment.
- Also note that the Town agreed to assume all maintenance responsibilities for the safety improvements to Potters Road (SR 1357).
- The agreement contemplated the project being completed by 12/31/2016. DOT had advised a supplemental agreement will be needed here to move forward.

- The Town has completed engineering/design² and ROW acquisition.
- Private utilities have been largely relocated.
- In 2020, NCDOT indicated it was suspending the construction phase for the project due to declining revenues because of the pandemic.
- In March 2021, the Town received an updated cost estimate showing a significant gap between the cost of the project and the original reimbursement allowance to the Town from NCDOT and Union County.
- NCDOT had indicated that the Town is responsible for any budget funding shortfalls above the amounts set in the 2014 agreement unless the Town can secure funds through the Charlotte Regional Transportation Planning Organization (CRTPO) or by other means.
- Over the course of several Council meetings in April and May 2021, the Town identified a threefold approach to address the identified budget gap for this project:
 - o First, to pursue budget shortfall funding through the Charlotte Regional Transportation Planning Organization (CRTPO).
 - o Second, to coordinate with state elected officials in an effort to secure additional project funds from the State; and
 - o Third, to request NCDOT conduct repairs at the intersection to address the immediate need for maintenance until construction begins.

Update:

- On 4/30/21, the Town submitted a formal application to CRTPO for additional budget shortfall funding.
- On 6/17/21, the Town was informed that CRTPO had approved budget shortfall funding in the amount of \$2,197,600 which requires an additional 20% local (Town) match of \$549,400.
- Mayor Dunn has engaged with our local state elected officials. Rep. Arp reports that potential funding availability for this project will be unknown until the August/September timeframe due to the State's calendar.
- After the Town requested the NCDOT conduct intersection repairs to address the immediate maintenance needs until construction potentially begins, NCDOT further investigated and determined that the entire intersection needs extensive resurfacing (estimated at \$300,000).
 - o NCDOT does not want to spend \$300,000 in public monies if it will be ripped out in the next year as part of anticipated construction. As a result, NCDOT has indicated that it will provide those resurfacing funds to help with project funding but plans to patch the intersection in the meantime. These funds will only be available if non-betterment

² Landscape design has not been initiated yet. Adding landscaping was not part of the original budget (just sodding the area) but this is included in the construction budget (design + actual landscaping costs).

costs exceed cost allowances including both through grant and local match funds.

- Please see an estimated breakdown of expenditures to date, estimated future expenses, and funding in the table below. **Unless otherwise noted, please note that these numbers are preliminary estimates. They can and likely will change for a variety of reasons as we move closer to and into actual construction.**

POTTER ROAD/ PLEASANT PLAINS SUMMARY		6/23/2021		
ORIGINAL PROJECT FUNDING				
FUND SOURCE	FEDERAL FUNDS AMOUNT	REIMBURSEMENT RATE	NON-FEDERAL MATCH \$ FROM TOWN	NON-FEDERAL RATE
HSIP	\$825,000	100%		R
STP - DA	\$1,600,000	80%	\$400,000	20%
Total	\$2,425,000			

COSTS TO DATE - TOWN OF STALLINGS COSTS			
ITEM	DESCRIPTION	COST (Paid Unless Noted Otherwise)	TOTAL TO DATE
1	RIGHT OF WAY ACQUISITION	\$1,183,091.59	
2	LEGAL	\$11,459.38	
3	KIMLEY HORN - DESIGN SERVICES	\$436,612.81	
4	THC - ROW ACQUISITION WORK	\$131,549.22	
5	SURVEY	\$760.00	
6	SEPTIC SERVICES	\$4,800.00	
7	DUKE ENERGY UTILITY RELOCATION (INCURRED)**	\$491,436.67	
8	DOT OVERSIGHT (INCURRED)	\$68,589.46	
	TOTAL COSTS PAID & INCURRED (-) DESIGN		\$1,891,686.32
	TOTAL COSTS PAID (-) DESIGN		\$1,559,666.93
TOTAL	TOTAL COSTS PAID & INCURRED TO DATE		\$2,328,299.13

**Paid \$228,006.74 of this amount already.

CONSTRUCTION COSTS - MOVING FORWARD			
ITEM	DESCRIPTION	COST	TOTAL ESTIMATED COSTS TO COMPLETE
1	CONSTRUCTION ESTIMATE	\$3,856,439.25	
2	CONTINGENCY + ESCALATION (25%)	\$964,109.81	
3	CEI and NCDOT OVERSITE (20%)	\$771,287.85	
4	STATE SAP COMPUTER COSTS (2.6%)	\$158,165.11	
5	ENGINEER OF RECORD COORD., PLAN UPDATE, BID SUPPORT, ETC.	\$50,000.00	

6	DUKE ENERGY UTILITY RELOCATION (INCURRED)**	\$491,436.67	
7	LANDSCAPING	\$50,000.00	
8	LANDSCAPING DESIGN	\$5,000.00	
	TOTAL ESTIMATED CONSTRUCTION COSTS TO COMPLETE		\$6,346,438.70

**Paid \$228,006.74 of this amount already.

Estimated Construction Betterments			
ITEM	DESCRIPTION	COST	
1	Water & Sewer Upgrades	\$1,360,155.00	
2	Landscaping + Design	\$55,000.00	
3	Mast Arms Upgrade	\$100,000.00	
	TOTAL ESTIMATED BETTERMENTS	\$1,515,155.00	
	TOTAL ESTIMATED CONSTRUCTION COST MINUS BETTERMENTS	\$4,831,283.70	

ESTIMATED FUNDING AND POTENTIAL OUT OF POCKET COSTS

	DESCRIPTION	FUNDING	REMAINING FUNDING BALANCE
ORIGINAL FUNDING	TOTAL FEDERAL FUNDS	\$2,425,000.00	
	LESS REIMBURSEMENT FROM NCDOT	(\$1,215,505.05)	
	LESS NCDOT OVERSIGHT COSTS INCURRED	(\$68,589.46)	
	REMAINING ORIGINAL FEDERAL FUNDS AVAILABLE		\$1,140,905.49
ADDITIONAL COSTS	Administration, Grant Funding Support, Legal, Misc.	(\$10,000.00)	
	ESTIMATED COSTS INCURRED/TO COMPLETE	(\$6,346,438.70)	
UNION CO FUNDING	COUNTY SEWER REIMBURSEMENT (COSTS INCLUDED ABOVE)		\$936,175.00
	POTENTIAL OUT OF POCKET COSTS BEFORE ADDITIONAL FUNDS*		(\$4,279,358.21)
NEW FUNDING	CRTPO Budget Shortfall Funds Awarded		\$2,197,600
Total	Potential Estimated Out of Pocket*		(\$2,081,758.21)
	Additional NCDOT Funds to Be Spent Last on Non-Betterment Costs Above Estimates		\$300,000.00

*Based on estimates. Actual costs could be higher or lower.

- Per the above chart, the Town's estimated additional out of pocket cost for this project is **\$2,081,758.21** including a combined 25% contingency and

escalation factor.³ In contrast, the original 2014 agreement with NCDOT appears to contemplate a local commitment of \$400,000 (not including design).

- Any actual costs above estimated/funded amounts would be the Town's responsibility except for the \$300,000 provided by NCDOT for costs beyond what is estimated/funded for non-betterment work.
- Notably, the Town Council could choose not to fund enhanced landscaping and just have grass around the intersection. This deletion is estimated to save about \$55,000.
- To move forward, the Town must enter into a supplemental agreement with NCDOT which is enclosed below. Several notable items from this supplemental agreement include:
 - o NCDOT will assume all maintenance responsibilities for the safety improvements, with the Town assuming all maintenance responsibilities for the new pedestrian improvements to the intersection. (This was all the Town's responsibility in the original agreement).
 - o The Town shall complete the project by 5/1/23.
 - o Once the Town executes the agreement, NCDOT estimates it could take about 2 months for the agreement to receive the required formal approvals from Raleigh.
 - o The original agreement with NCDOT would otherwise remain valid.
- Please note that staff have worked diligently with representatives from CRTPO and NCDOT and done everything in our power to verify what parts of the project are eligible for reimbursement. Unfortunately, not all items are eligible for reimbursement.
- As discussed at the 6/14/21 Council meeting, the American Rescue Plan (ARP) expenditure rules are not out yet finalized and there are a lot of unknowns. However, the N.C. League of Municipalities has advised that the current interim guidance specifically excludes transportation infrastructure projects from eligibility.

Next Steps:

If the Town seeks to move forward, then the Town Council would need to approve the supplemental agreement and then send an executed agreement to NCDOT. NCDOT indicates it could take 2 months to get the agreement formally approved through its appropriate channels. In the meantime, there are still some loose ends the Town is tying up on our end which may require some cost commitments (CEI selection, finalizing environmental documents since it expired due to the delay,

³ A larger contingency and escalation factor is recommended due to current construction market conditions and potential timeline.

etc.), but nothing that is anticipated to delay the project if the Council seeks to move forward.

If the Council wishes to move forward with getting ready for letting the project, it is recommended that the Board authorize staff with a budget of \$50,000 to move forward. If the Town moves forward with this and awards a contract, staff would very cautiously project that construction work would likely begin in Q1 of 2022. However, there are numerous moving parts here so please understand this is a rough projection.

Options for Council's Consideration:

- 1.) Approve the NCDOT supplemental agreement, accept CRTPO funding, and direct staff to move forward towards letting the project with a budget of \$50,000, and let the project with the understanding that the Town is responsible for covering budget funding shortfalls not covered by the NCDOT and Union County agreements.
 - a. Pros
 - i. The intersection improvement efforts could proceed.
 - ii. Project will likely be done quicker than the other options.
 - iii. Staff field more calls with concerns regarding this intersection than any other singular issue in Town.
 - iv. If the Town chose to not move forward with the project in the timeframe specified, the federal government/NCDOT could/would likely make the Town repay the funds already reimbursed to the Town for work done thus far (over \$1.2 million plus NCDOT costs).
 - v. The Town would still be able to see what bid amounts are received before awarding a construction contract.
 - b. Cons
 - i. Potentially spending a significant amount of the Town's fund balance reserve funds on State roads.
 - ii. Would potentially take away funds for Town operations, priorities, etc. and thus may potentially hinder future efforts.
 - iii. Could be spending Town local funds when other further funding may be potentially available. Although, the Town could still pursue state fund simultaneously via our elected officials.
 - iv. Numbers are estimates so the actual bids/construction cost could turn out to be higher (and again the Town would cover any additional costs above estimates and funding levels).

- 2.) Approve the NCDOT supplemental agreement, accept CRTPO funding, direct staff to move forward towards letting the project with a budget of \$50,000, but wait to see what funds (if any) can be secured by our state elected officials prior to letting the project, and only consider moving forward with letting once that is determined.
- a. PROS
 - i. Continuing pursuit of non-local funds which, if successful, would free up significant Town funds for Town operations and pursuit of priorities.
 - ii. Still plan to move forward towards to address intersection issues.
 - b. CONS
 - i. In the meantime, construction costs could go up. The Town may need to update plans and documents depending on timeline (which would likely come with a cost).
 - ii. Further delay would likely be unpopular with some members of the public. In the meantime, the intersection would continue to function poorly.
 - iii. Need to still meet the deadline contemplated in the agreement.
- 3.) Do not move forward with the project.
- a. PROS
 - i. The Town would not have to cover the estimated funding shortfall.
 - ii. Would potentially put the responsibility of fixing the state road intersection with the state (NCDOT).
 - b. CONS
 - i. NCDOT has indicated that the federal government would likely request back funds received by the Town thus far (approximately \$1.216 million). NCDOT did not know if there would be any other penalties. If Council wishes to pursue this option, staff will research further.
 - ii. The Town would forego the benefit of project expenses paid/incurred by the Town to date.
 - iii. The intersection would continue to function poorly and there would be no anticipated timeframe/plan of when/how it would be fixed.
 - iv. Would likely be controversial with members of the public and likely increase distrust/confidence in the Town with some.
 - v. Could hinder our ability to get certain grants in the future.



MEMO



To: Town Council
Via: Alex Sewell, Town Manager
From: Dennis Franks, Chief of Police 
Date: January 5, 2022
RE: Incentive Program

Purpose: The purpose of this memo is to provide background on the need for a police incentive plan, based on training, certification, and education. The SPD is requesting funding approval to implement this plan.

Background: The mission of the Stallings Police Department, “is to provide an exemplary level of service and protection to the residents and businesses.” In an effort to retain and recruit officers who want to meet these expectations, it is imperative that SPD be competitive with surrounding agencies as we are all competing for the same candidates.

In 2019, Matthews Police Department conducted a study of 17 surrounding agencies to compare starting salaries and incentives offered to its employees. The agencies included are from Mecklenburg, Union, Cabarrus, and Gaston County departments. Stallings PD ranked 6 out of 17 for starting pay. Some of the results of this study showed the following:

- 15 of 17 departments offer incentives for being bilingual
- 13 of 17 departments offer incentive for college degree
- 10 of 17 departments offer incentive for Intermediate or Advanced certificates from NC Dept. of Justice
- 6 of 17 departments offer incentive for field training officers

Intermediate and Advanced Certificates are professional certificates awarded to police officers based on years of experience, education, and variety of police-based training programs that officers have completed. Currently, only four SPD officers hold Advanced Certificates and one with an Intermediate Certificate.

Since the outbreak of the COVID-19 pandemic, 4.4 million Americans have left their jobs. Due to the both the pandemic and social issues within policing, many officers have either retired or resigned from the profession. A 2021 Police Executive Research Forum (aka PERF) survey showed that police retirements rose by 18% and police resignations rose by 45%. The Stallings Police Department has not been immune to this trend. Since the start of the pandemic the SPD has had:

- 12.5% of the department has retired and
- 29% have left the department
 - 12% left the profession completely and
 - 17% left for other agencies

The same PERF survey also showed that, nationally, 7% of all police positions are unfilled and when one looks at department with less than 50 sworn officers that percentage of unfilled vacancies rises to 9%. Currently, Stallings Police Department has 12.5% of its positions are unfilled.

In September 2021, the SPD created a work group of officers from across all ranks to examine what can be done, internally, to create an environment that will help recruit and retain top quality police officers. The SPD utilized information gleaned from HR exit and stay interviews. The overarching theme of these interviews was monetary, not cultural. Most officers said that if they were leaving or considering leaving, it was due to other departments offering pay for various certifications and education. Based on the Matthews study and internal police department feedback, I am recommending the following pay incentive program be implemented for the Stallings Police Department:

Category of Incentive	Amount of Incentive
Assignment as K9 Unit handler	5% of officer's salary*
Assignment as Detective	5% of officer's salary*
Associates Degree	\$1200
Bachelor's Degree	\$800 (plus \$\$ for associates)
Master's Degree	\$500 (plus \$\$ for Associates and Bachelors)
Intermediate Certificate	\$1000
Advanced Certificate	\$2000 (plus \$\$ for Intermediate)
Field Training Officer (designated by PD)	\$1500
Special Response Team (designated by PD)	\$1000
Accident Reconstructionist (designated by PD)	\$1200
Bilingual (certified)	\$1500
Criminal Investigator Certification (certified through State of North Carolina)	\$1500
Resident of Stallings	\$2000

*Incentive already in place as part of Town's pay plan

This incentive program would impact all sworn members from the rank of lieutenant and below. It should be noted that the two incentive categories designated with asterisks are already incorporated into the department's pay plan and are not factored into the costs of this program. Based on current staffing the incentive program would cost approximately **\$45,300**, plus an additional **\$11,200** for the cost of insurance and retirement. Current total cost is estimated at **\$56,500**. Due to lapsed salaries from unfilled positions this incentive program can be funded for the remainder of FY 21-22., without budgetary impact.

Implementation of an incentive program fits within the Town's Training and Certification Policy, which states its intent is to "reward employees to complete training, development, and certification programs that provide them with knowledge, skills and abilities that will enable the Town of Stallings to become more flexible and adaptable, improve client services, ensure that work is performed in a safe manner, and develop capacity to provide continuous services at a high level in the future." It also fits within the parameters of the Town's pay study under Management Recommendations in that it states,

It is important to put in place a program to reward employees for attaining certifications. A specific base pay in-range increase is recommended for certifications determined by the Town to be needed and desired and a lesser base pay in-range increase or lump sum recommended for those that are voluntary but valuable. The Town Manager should develop a program to accomplish these objectives.

In conclusion, this incentive program will reward officers' professional accomplishments along with helping the police department to recruit highly skilled candidates. These areas that have been identified for incentives will also motivate officers to achieve a high level of proficiency, which in turn will create a highly skilled workforce. Having this skilled workforce will translate into a higher level of services being

delivered to our citizens and those who travel through Stallings. I firmly believe this incentive program will also increase our retention of our current employees and assist with the increase of morale.

Requested Action: I respectfully request the Town Council to approve funding for this plan, for remainder of the fiscal year, using lapsed salaries. Please take note that approving funding using lapsed salaries now will require ongoing funding for the next fiscal year.



MEMO

To: Stallings Town Council
Via: Alex Sewell, Town Manager
From: Ashley Platts, Parks & Recreation Director
Date: January 10, 2021
RE: **Blair Mill Park Enhancements**

Background/History:

The Town identified top community needs within the current parks system through surveys and the master plan process. Town Council directed staff to develop cost estimates for desired enhancements to include a playground for ages on the Fairhaven side of Blair Mill Park as part of the first phase of enhancements. This playground is to be situated as to not disturb the current flow of the popular disc golf course already on site.

Other enhancements include contracting out regular landscaping maintenance, installing river rock in the traffic islands, and scheduled turf remediation in areas where there has been soil erosion due to rain/flood events.

Playground Installation:

Total project costs are estimated at \$75k, \$25k over the budget approved amount of \$50k for enhancements. This is largely due to grading work that must be done to level the area to bring it into ADA compliance (less than 3% grade change) while ensuring proper water runoff prior to installing the playground equipment. Staff received quotes for this work with the costs totaling \$19,488.71.

This is an unbudgeted cost, that should be covered by savings within the department, but may require a budget amendment at a later date. Staff is requesting Council permission to proceed with this work through the locally approved contractor.

Staff previously received quotes for playground equipment, that expired December 15th. Using the informal bid process, staff will acquire new bids for the project and select the playground contractor best suited for the project to remain within the \$75k project budget. This projection includes a 10% contingency.

Requested Actions:

- 1) Direct staff to proceed with required grading work
- 2) Direct staff to select playground contractor using the informal bid process



MEMO

To: Mayor and Council
From: Alex Sewell, Town Manager
Date: 1/5/22
RE: **UNC School of Government - DFI Proposal to Provide Phase 1 Downtown District Feasibility Assessment Services**

Purpose: In accordance with the Town Council priority of creating a downtown and the Town's Downtown Action Plan, this memorandum provides background and context on DFI's proposal to assist the Town with downtown development and suggests holding a special virtual meeting to discuss the proposal with DFI representatives.

What is Development Finance Institute?

- Development Finance Initiative ("DFI") was established in 2011 by the UNC-Chapel Hill School of Government to assist communities in North Carolina with achieving their community economic development goals.
- DFI partners with communities to attract private investment for transformative projects by providing specialized finance and real estate development expertise.
- DFI has been engaged in over 100 projects of varying size and scope in over 70 communities throughout North Carolina. One notable recent area project was a partnership with Kannapolis on their downtown.

Background:

- A Town Council top priority is downtown creation.
- During the Council's 2021 Annual Retreat, downtown expert panelists expressed concerns as to whether the Town's vision aligns with market realities and whether the Town's implementation strategy was "underfunded" in resource commitment, expertise capacity for various development efforts including public-private partnership creation, and site control.
- To address the concerns raised by the downtown expert panel, the Town's downtown action plan calls for the Town to consider partnering with the DFI for expert guidance and support on proactively spurring positive downtown development.
- In April and May 2021, the Town Council discussed DFI's initial proposal to provide phase 1 downtown district feasibility assessment services.
- The Town's FY 21-22 Budget includes \$75,000 for a potential contract with DFI for phase 1 downtown district feasibility services.
- DFI has submitted a proposal to start assisting the Town with downtown development.

DFI Proposal: Enclosed is DFI's proposal to Provide Phase 1 Downtown District Feasibility Assessment Services. Notable aspects include:

- The flat fee cost for the services is \$74,400, which can be paid in 2 installments of \$37,200 each. The total price has gone up \$3,900 since last year.
- The estimated timeline for completion is 6 months.
- Expressed next steps would be for a subsequent phase 2 agreement where DFI would provide additional pre-development services for the site(s) over which the Town gains site control. Phase 2 services would involve an additional refined financial feasibility analysis and the identification of a private development partner. Phase 2 services would require a separate contract and fee (although this fee could possibly be covered in all or part by whatever developer was selected).

Recommended Next Steps: To allow everyone to fully understand the proposal, Staff would suggest holding a special virtual Council meeting with DFI representatives to discuss the proposal. DFI representatives would be available for a virtual meeting at either 5:00 or 5:30 PM prior to a regular Town Council meeting on the following dates:

- January 24, 2022
- February 14, 2022
- February 28, 2022

MEMORANDUM

To: Alex Sewell, Town Manager, Town of Stallings
From: Marcia Perritt, Associate Director, Development Finance Initiative
Date: December 6, 2021
Re: Proposal to Provide Phase 1 Downtown District Feasibility Assessment Services

UNC-Chapel Hill Development Finance Initiative

The UNC Chapel Hill School of Government (SOG) established the Development Finance Initiative (DFI) in 2011 to assist communities in North Carolina and beyond with achieving their community economic development goals. The SOG is the largest university-based local government training, advisory, and research organization in the United States. DFI partners with communities to attract private investment for transformative projects by providing specialized finance and real estate development expertise.

Request for Technical Assistance

The Town of Stallings requested technical assistance from DFI in March 2021 with evaluating the feasibility of establishing a downtown district and attracting private investment to assist in realizing this vision. The largely new construction, mixed-use downtown district is a top community economic development priority for the Town. Several factors, including historic and projected population growth, indicate that the Town of Stallings may be well-poised to support a new downtown district. There are significant transportation investments underway, such as the widening of Old Monroe Road and the expansion of the LYNX Silver Light Rail to better connect Stallings to the Charlotte metro region. Additionally, Atrium Health recently broke ground on a new 150,000 square foot hospital within the town limits.

In anticipation of this project, the Town of Stallings has made significant public investments in the proposed downtown district area, including an award-winning central park, new Town Hall and public works facility, and streetscape enhancements. The Town also developed a design-driven small area plan that outlines a conceptual vision for a mixed-use downtown, created a downtown steering committee, and began land acquisition outreach to private property owners within the proposed downtown district. The Town has a portion of the proposed district under site control and is considering acquiring additional parcels.

While that visioning work is helpful in gaining consensus among key stakeholders for a general development concept, to make the concept become a reality, it should be tested through feasibility analysis and brought to the market—that is, the concept should be proven in a way that would satisfy developers, investors, and lenders that the vision is feasible given current market and development conditions. DFI proposes to conduct this necessary feasibility analysis and create a market-feasible program of development, while regularly seeking feedback and engagement with Stallings officials. Once a market-feasible development program has been endorsed by Town Council, DFI will identify development partners with the experience and track record to make the vision a reality within the context of the actual market in Stallings.

Scope of Services

The following Scope of Services outlines the activities that DFI would conduct to support the Town of Stallings in evaluating the feasibility of its downtown district vision and formulating an implementation strategy to execute this vision. DFI proposes conducting this work in phases. The first phase, described below, would focus on 1) understanding current market and development conditions and 2) advising the Town on additional site control of privately-owned parcels that present key development opportunities within the proposed downtown district, herein referred to as the “Project Area”.

Phase 1: Public Interests, Market Analysis, & Acquisition Strategy

1. Conduct a community scan, which is an analysis of market-relevant demographic and socioeconomic data, as well as a review of current and historic plans, visioning documents, studies, research, development proposals, conceptual renderings, notes from public input sessions, and other materials relevant to the Project Area;
2. Collect and analyze relevant data for a parcel analysis to understand current market conditions (sales trends, vacancy, land use, common ownership, and underutilization, pending available data) for the Project Area;
3. Conduct small group community engagement activities (approximately 8 to 10 one-on-one telephone conversations) as it relates to stakeholder priorities and input for downtown development;

4. Conduct a market analysis to assess the supply and demand for different uses within the Project Area including retail, multifamily residential, office, and hospitality;
5. Establish guiding public interests for the Project Area in collaboration with the Town of Stallings;
6. Conduct a high-level site analysis, examining topography, hydrology, infrastructure, etc. to gain a general understanding of development opportunities and constraints within the Project Area;
7. Identify opportunities for additional site control within the Project Area;
8. Provide high-level advising on financing and structuring public participation in the Project Area, if necessary, including use of development finance tools (federal and state tax credits, district designations, etc.); and
9. Make recommendations related to acquisition of key parcels and advise the Town on next steps.

This Scope of Services does not include services that require a licensed broker or licensed attorney to perform. In addition, the scope does not include tasks associated with site planning expertise from architects or engineers, nor does it include site preparation expenses such as land survey, soil samples, and environmental testing (if such services are required, DFI will advise the Town of Stallings to obtain such services from third parties). The fee accounts for efficiencies gained from utilizing virtual meeting tools rather than in-person meetings.

Deliverables

Deliverables include presentations, summaries, and other documentation intended by DFI to be delivered to the Town regarding the above Scope of Services.

Timeline

The timeline for the above Scope of Services is estimated to be 6 months.

Fee

The flat fee for the above Scope of Services is \$74,400. This flat fee is payable over two installments of \$37,200 each.

Potential for Phase 2: Attract Private Development Partner

Pending the outcome of this analysis and the Town's interest, DFI is able to provide additional pre-development services for the site(s) over which the Town gains site control. Phase 2 services would involve additional refined financial feasibility analysis and the identification of a private development partner. Phase 2 services would require a separate contract and fee.



MEMO

To: Mayor Dunn and Stallings Town Council
Via: Alex Sewell, Town Manager
From: Marsha Gross, Finance Officer
Date: 1-5-2022
RE: **LGC Response to the Auditor's Findings, Recommendations, and Fiscal Matters**

At a regularly scheduled town council meeting held on November 22, 2021, our financial statement auditor, Emily Mills from Potter & Company, presented to Council their Auditor's Findings, Recommendations, and Fiscal Matters. During that report, 3 significant deficiencies were cited. The first of the deficiencies related to dual signatures on Town checks where 2 of the items they tested did not have a second signature and cleared the bank account. These expenditures did have proper approval to pay and followed the Town's purchase order process but during distribution failed to have the second signature on the actual check. The second item related to 401(k) withholding not matching the withholding amount on the employees' paperwork in their personnel file. The last items related to an unrecorded road addition in the Town's fixed asset system which was discovered during the Town's Powell Bill reporting. The Town's staff discussed these findings and have implemented additional internal controls to avoid them occurring in the future.

According to 20 NCAC 03.0508, the Town is required to formally draft a response to the Auditor's Findings, Recommendations and Fiscal Matters report on town letterhead and send to the NC LGC. This letter is to address each significant deficiency, material weakness and other audit findings and provide a plan to address of these concerns. The Town staff has discussed as noted above and drafted such correspondence which is due to the LGC within 60 days of the auditor's presentation to the governing body (Council) which would be January 21, 2022. While the guidelines require that a majority of the governing body members must sign the correspondence pursuant to 20 NCAC 03.0508, LGC staff recommends that all governing body members, the unit manager, and the unit finance officer sign the response.

Attached is the draft response for approval and signature as well as guidance from LGC.

Thank you for your consideration.



Town of
Stallings

315 Stallings Road • Stallings, North Carolina 28104

Date: January 4, 2022

To: Sharon Edmundson, Secretary of the Local Government Commission

Re: Response to the Independent Auditor's Findings, Recommendations, and Fiscal Matters

Dear Ms. Edmundson:

We have carefully reviewed the audit findings and Financial Performance Indicators of Concern ("FPIC") presented to the Town of Stallings Mayor and Town Council by Emily Mills of Potter & Company on November 22, 2021. Our responses addressing each item follows:

1. The Schedule of Findings and Responses included as a significant deficiency that the controls over cash disbursements are not operating as intended. Of 25 checks examined, two of these checks cleared the bank with one signature, bypassing the dual signature requirement. It was recommended that the Town should implement internal control procedures that will ensure that each check has dual signatures prior to payment. The Town has stressed the importance of the dual signature procedure and the placement of dual signature on all checks with finance staff and with those who have signature authority on the Town's checking accounts. An additional procedure has been added which is final review for dual signatures by both the accounts payable clerk and one of the signers of the check batch before the checks are distributed or mailed. This additional verification was implemented on November 1, 2021.
2. The Schedule of Findings and Responses included as a significant deficiency that the controls over payroll have been designed but not properly implemented. Of 25 paychecks examined, two occurrences were noted of employees' 401(k) withholdings not setup at the requested percentage per the enrollment forms. It was recommended that the Town should strengthen internal controls over the payroll system. The Town has stressed the importance of internal control procedures regarding employee payroll with both the Human Resources Director and the Police Administrative Services Manager who input and process payrolls for the Town. As part of the new payroll internal control procedures, a comparison of the amount withheld and net amount for each employee will be made to a prior payroll before approving each payroll run. In addition, 2 employees will be randomly picked per month comparing the withholding percent in the system with the withholding percent in the employee's personnel file to ensure the correct amount is being withheld. These additional procedures were implemented December 1, 2021.

3. The Schedule of Findings and Responses included as a significant deficiency that there was an adjustment recorded to correct beginning net position because of a correction to record roads as capital assets in the amount of \$53,114. It was recommended that the Town implement procedures to ensure that all balances are recorded and included in the financial statements. The Town stressed the importance of accurate reporting for both outside agencies and financial reporting with Town Engineer and Finance Officer. The departments discussed implementing an additional procedure that would identify any road additions and annexations. The Town Finance Officer will review council meeting minutes and future Powell Bill reports to ensure that additions to Town roadway systems are added to fixed assets according to our capitalization policy. This procedure was implemented on November 1, 2021.

Questions regarding this response letter may be addressed to Alex Sewell, Town Manager, 704-821-0314 or to Marsha Gross, Finance Officer, 704-821-0311.

Respectfully submitted,

Alex Sewell
Town Manager

Wyatt Dunn
Mayor

Marsha Gross
Finance Officer

David Scholl
Mayor Pro Tempore

Heather Grooms
Council Member

Steven Ayers
Council Member

Brad Richardson
Council Member

Graham Hall
Council Member

Taylor-Rae Drake
Council Member

Identifying Financial Concerns

Response by the Governing Body

Under [20 NCAC 03 .0508](#), if a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" is required, it must:

- Be signed by a majority of the members of the governing body
- Be submitted to the LGC within 60 days of the auditor's presentation
- Address each significant deficiency, material weakness and other audit finding
- Provide a plan to address each Financial Performance Indicator of Concern

Use the link above to read the full text of the rule in North Carolina Administrative Code and for the specific requirements of the governing body's response



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division

STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA
Dale R. Folwell, CPA

20 NCAC 03 .0508

**RESPONSE TO THE INDEPENDENT AUDITOR'S FINDINGS,
RECOMMENDATIONS, AND FISCAL MATTERS**

(a) If the governing body of a government unit is notified by its independent auditor that the audited financial statements presented to the governing body included one or more significant deficiencies, material weaknesses, other findings or if the auditor determined that Financial Performance Indicators of Concern were identified based on information presented in the audited financial statements, then the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" ("Response"), pursuant to this Rule, signed by a majority of the members of the governing body. The governing body shall submit the Response to the Secretary within 60 days of the auditor's presentation.

(b) The Response shall address each significant deficiency, material weakness and other audit finding presented to the governing body and shall provide a plan to address each Financial Performance Indicator of Concern reported to the governing body. The Response shall include the following:

(1) Audit Findings

(A) A written description of the procedure, process, or action plan developed by the government unit to address each finding, including all material weaknesses and significant deficiencies, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successors.

(B) The description shall provide specific and detailed steps with measurable results that allow the governing body to conclude that the procedure, process, or action plan as implemented and followed by the staff of the government unit, will address the specific audit finding. The description may include such information as the date for implementation, position titles responsible for implementation, positions performing the procedures or processes, frequency of performance, and other matters necessary to evaluate the success of the procedure or process.

(2) Financial Performance Indicators of Concern

(A) A written description of the procedure, process, or action plan developed by the government unit to address each Financial Performance Indicator of Concern.

(B) The description shall provide specific and detailed steps with measurable results that allow the governing body to conclude that it will address each specific Financial Performance Indicator of Concern. The description may include such information as the time period required for improvement, any governing body action required for implementation, the steps to increase revenue or reduce expenses, the frequency of performance evaluation, and other matters necessary to evaluate the success of the plan.

(c) If the governing body disagrees with an audit finding, it shall describe in detail its disagreement and explain the factors that support this determination in its Response.

*History Note: Authority G.S. 159-3(f); 159-34;
Eff. November 1, 2020.*

A suggested format follows for response to the LGC regarding Financial Performance Indicators of Concern, significant deficiencies, or material weaknesses, or other findings identified by the independent auditor. The response must be provided within 60 days of the auditor's presentation of the audited financial statements to the Board. If debt approval by the LGC is required, the findings, FPICs, and unit's response will be presented to the LGC for consideration in approving the debt. Responses using Adobe PDF files should be submitted at [FPIC Response](#).

Please refer to North Carolina Administrative Code [20 NCAC 03 .0502](#) regarding the auditor's presentation and [20 NCAC 03 .0508](#) regarding requirements of the response to the LGC.

Unit Letterhead

Date: [Date of Response](#)

To: Sharon Edmundson, Secretary of the Local Government Commission

Re: Response to the Independent Auditor's Findings, Recommendations, and Fiscal Matters

Dear Ms. Edmundson:

We have carefully reviewed the audit findings and Financial Performance Indicators of Concern ("FPIC") presented to the [Name of Governing Board](#) by [Individual's Name](#) of [Audit Firm](#) on [date of presentation](#). Our response addressing each item follows:

1. [Replace this numbered list with your specific response to each FPIC; see following page for suggestions and guidance.](#)
2.
3.

Questions regarding this response letter may be addressed to [Name, Unit Head, phone number](#) or to [Name, Finance Officer, phone number](#).

Respectfully submitted,

[Signatures of members of the governing body. A majority of the governing body members are required to sign the response pursuant to 20 NCAC 03 .0508, but LGC staff recommends that all governing body members, the unit manager, and the unit finance officer sign the response.](#)

Suggestions for an adequate response:

1. For references to relevant sections of the Administrative Code and complete guidance on responses to the LGC, please see [Financial Performance Indicators and Responses to the LGC](#).
 2. Provide a response for each FPIC identified by the red shading on the report. The response should identify the concern and be specific regarding the action that has been taken by the unit and the results of this action and any action will be taken including the expected schedule and anticipated results. Any related board resolutions or other documentation providing additional details of the unit's response may be provided. For additional information on responses, see [FPIC Sample Responses and Resources](#).
 3. The objectives of the response are to provide sufficient information (1) that the likelihood that the action if successfully implemented will resolve the FPIC can be evaluated and (2) that the auditor during the next audit of the financial statements can evaluate whether the action indicated was taken and the results of the action.
 4. The successful response will identify each FPIC identified by the auditor; provide a well-considered response to that specific item; and represent the commitment of the board and management to the implementation of the actions described.
 5. All concerns regarding the accuracy of a specific FPIC should have been addressed with the auditor prior to presentation to the board.
-



**FIVE-YEAR FINANCIAL PLAN
FY2022 to FY2026**

Town of Stallings Five Year Financial Plan

The Town of Stallings has undergone a number of changes during FY2021 which included inordinate growth and development, tax revaluation and additional planning for the future downtown area and greenway. Council passed the first Five Year Financial Plan in FY2021 to evaluate the future revenue and expense streams as well as capital improvements needs while still being able to sustain the services the Town provides. The Five-Year Plan enables the Town to 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 Improvement 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.

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 \$11,420,129 as of FYE 2021 with an unassigned balance of \$6,424,313. The Town also maintains a minimum fund balance of 30% of the subsequent year’s expenditures in years after 2015 through 2020 which was changed to 20% of subsequent year’s expenditures during FYE 2021.

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

General Fund Balance	2017	2018	2019	2020	2021
Non-spendable					
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted					
Stabilization by State Statute	667,933	601,599	462,389	401,137	475,157
Streets - Powell Bill	313,445	153,094	239,450	291,514	568,898
Drug Forfeiture	304,803	126,493	25,545	53,262	46,008
Committed					
Capital Project Fund	-	-	-	1,193,280	960,273
Parks and Recreation	330,043	330,043	374,474	374,474	426,858
Chestnut Lane Roundabout	-	350,000	350,000	-	-
Assigned					
Designated for subsequent year’s expenditures	1,000,000	1,550,000	2,016,800	2,091,800	747,982
Minimum fund balance requirement	2,249,400	2,478,150	2,654,040	2,189,160	1,770,640 *
Unassigned					
Unassigned	5,216,484	3,355,658	3,270,119	4,138,319	6,424,313
Total General Fund	\$ 10,082,108	\$ 8,945,037	\$ 9,392,817	\$ 10,732,946	\$ 11,420,129

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.

Exhibit 1

Revenue Source	FY2017	FY2018	FY2019	FY2020	Unaudited FY2021	Adjusted Budget FY2022*
Ad Valorum	\$ 3,404,816	\$ 3,502,958	\$ 3,615,911	\$ 3,669,430	\$ 3,739,779	\$ 4,332,900
<i>YOY Change</i>	<i>2.32%</i>	<i>2.88%</i>	<i>3.22%</i>	<i>1.48%</i>	<i>1.92%</i>	<i>15.86%</i>
Motor Vehicle	\$ 405,608	\$ 402,448	\$ 408,348	\$ 411,004	\$ 447,485	\$ 377,260
<i>YOY Change</i>	<i>7.05%</i>	<i>-0.78%</i>	<i>1.47%</i>	<i>0.65%</i>	<i>8.88%</i>	<i>-15.69%</i>
Sales Tax	\$ 1,134,617	\$ 1,189,871	\$ 1,259,345	\$ 1,365,392	\$ 1,592,773	\$ 1,592,773
<i>YOY Change</i>	<i>13.55%</i>	<i>4.87%</i>	<i>5.84%</i>	<i>8.42%</i>	<i>16.65%</i>	<i>0.00%</i>
Utility Franchise Tax	\$ 808,770	\$ 820,997	\$ 832,275	\$ 812,897	\$ 799,348	\$ 778,000
Other Franchise Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beer and Wine Tax	\$ 70,119	\$ 68,417	\$ 69,574	\$ 70,654	\$ 69,686	\$ 70,000
Vehicle Rental	\$ 42,555	\$ 38,287	\$ 23,004	\$ 7,593	\$ 7,449	\$ 7,500
Zoning Fees	\$ 62,855	\$ 78,807	\$ 87,033	\$ 77,853	\$ 57,220	\$ 65,000
Development Agreement Fees	\$ -	\$ -	\$ 50,000	\$ 18,750	\$ -	\$ -
TIA Revenue	\$ -	\$ -	\$ 113,200	\$ 146,800	\$ 2,500	\$ 20,000
Public Safety Fee	\$ 2,052	\$ 2,473	\$ 5,786	\$ 5,079	\$ 3,182	\$ 3,100
Nuisance Abatement/Civil Citati	\$ -	\$ -	\$ -	\$ 60,400	\$ 56,198	\$ 2,400
Business Licenses						
Fees in Lieu of Park Land	\$ 106,780	\$ -	\$ 44,431	\$ -	\$ 52,385	\$ -
Transportation Contributions	\$ -	\$ -	\$ -	\$ 1,684,247	\$ 1,711,356	\$ -
Powell Bill	\$ 459,214	\$ 399,228	\$ 399,455	\$ 402,567	\$ 388,692	\$ 388,700
Solid Waste disposal tax	\$ 10,407	\$ 10,494	\$ 11,963	\$ 12,431	\$ 12,488	\$ 11,800
Grant Income/Forfieture	\$ 176,459	\$ 25,660	\$ 4,122	\$ 37,709	\$ 277,083	\$ 25,000
Miscellaneous	\$ 41,475	\$ 41,312	\$ 20,138	\$ 58,494	\$ 15,752	\$ 23,100
Investment	\$ 35,226	\$ 90,526	\$ 160,338	\$ 122,514	\$ 2,136	\$ 2,100
Interest	\$ 7,361	\$ 8,224	\$ 11,859	\$ 8,138	\$ 7,793	\$ 6,500
Total Revenue	\$ 6,768,315	\$ 6,679,702	\$ 7,116,783	\$ 8,971,951	\$ 9,243,305	\$ 7,706,133
YOY % Increase/(Decrease)	<i>-4.57%</i>	<i>-1.31%</i>	<i>6.54%</i>	<i>26.07%</i>	<i>3.02%</i>	<i>-16.63%</i>
Adjust Annual Revenue by removing						
Fees in Lieu of Park Land, TIA Revenue	\$ (283,239)	\$ (25,660)	\$ (211,753)	\$ (1,887,506)	\$ (2,043,324)	\$ (45,000)
Transportation Contributions and						
Grant Income/Forfieture						
Adjusted Annual Revenue:	\$ 6,485,075	\$ 6,654,042	\$ 6,905,030	\$ 7,084,445	\$ 7,199,981	\$ 7,661,133
YOY % Increase/(Decrease)	<i>1.66%</i>	<i>2.61%</i>	<i>3.77%</i>	<i>2.60%</i>	<i>1.63%</i>	<i>6.40%</i>

FY2021 collections. Early sales and use tax revenue for FY2022 have every indication to be above that in FY2021. As a result, FY2022 budgeted revenue was changed to the revenue collected in FY2021.

Total revenue increased over this five-year period an average of 29.8% per year from FY2017 to FY2021. Revenue decreased 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. These funds were returned from NCDOT to the Town and are included in the FY2021 revenue. 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 2.45% 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.

FY2022 budgeted revenue was not included in the five-year average above which represented an increase of 6.41% over FY2021 when the adjusted annual revenues are compared. This increase is primarily due to the countywide revaluation of property values which increased the budgeted FY2022 ad valorem tax by 15.7%. While assessed tax values for the Town increased 31.2%, the revenue neutral tax rate of 16.6 decreased the Town's current rate of 21.5 by 4.9 or 23%. The Town Council approved a rate 18.6 which was 2.0 higher than the revenue neutral tax rate to be used for the work needed on road repairs and park improvements. The reduction in the Town's tax rate caused the decrease in budgeted motor vehicle tax by -15.7%. Sales and Use tax budget for FY2022 was also decreased based upon the large increase in FY2021 from the impacts of the COVID virus but has been raised in the analysis to the FY2021 revenue since early collections in FY2022 have been higher than those received during FY2021.

Taking the analysis one step further, approximately 91% 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 2.3% each year from FY2017 to FY2021. If FY2022 is included, the average is 4.61%. Sales and Use tax has a similar comparison with spike in FY2021 driven by the economy and effects of the COVID virus which averaged 9.87%. 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 revenue growth model for the periods from FY2023 through FY2026 will be based the year over year comparison and the factors above and will represent the average revenue growth for a five-year period from FY2018 through budgeted FY2022 of **2.98%** as the escalation factor for the model. 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 FY2017 to FY2022. These changes are due to many factors most of which are the following:

- 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 reduced 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 – Reduction in expenses of 4.3% due to difference Chestnut Roundabout difference noted in FY2020.
- FY2022 – Budgeted increase of 6.9% due to additional road repair work of \$275,000 as well as construction of Vickery portion of Blair Mill Greenway of \$550,000.

Expense Analysis by Department
Exhibit 2

	FY2017	FY2018	FY2019	FY2020	FY2021	Growth in 5 Years	FY2022 Budget
General Government	\$ 1,105,745	\$ 1,194,897	\$ 1,175,978	\$ 1,267,448	\$ 1,550,092	40.2%	\$ 1,472,900
Public Works	\$ -	\$ 200,411	\$ 323,042	\$ 280,456	\$ 258,103	28.8%	\$ 297,400
Public Safety	\$ 2,285,843	\$ 2,431,793	\$ 2,389,097	\$ 2,259,878	\$ 2,292,877	0.3%	\$ 2,731,100
Transportation	\$ 865,193	\$ 755,422	\$ 729,619	\$ 2,651,446	\$ 2,011,673	132.5%	\$ 1,236,800
Sanitation	\$ 885,217	\$ 906,820	\$ 885,833	\$ 945,978	\$ 958,668	8.3%	\$ 1,050,600
Zoning & Planning	\$ 348,067	\$ 490,294	\$ 405,282	\$ 326,667	\$ 415,598	19.4%	\$ 404,600
Park & Rec	\$ 424,237	\$ 543,671	\$ 595,713	\$ 559,730	\$ 451,336	6.4%	\$ 1,290,700
Total	\$ 5,914,302	\$ 6,523,308	\$ 6,504,564	\$ 8,291,603	\$ 7,938,347	34.2%	\$ 8,484,100
YOY Change	<i>-4.4%</i>	<i>10.3%</i>	<i>-0.3%</i>	<i>27.5%</i>	<i>-4.3%</i>		<i>6.9%</i>
Less Expenditures not to repeat	\$ 77,500	\$ 473,559	\$ 206,100	\$ 1,946,747	\$ 1,656,269		\$ 1,013,900
Adjusted Expenditures	\$ 5,836,802	\$ 6,049,749	\$ 6,298,464	\$ 6,344,856	\$ 6,282,078		\$ 7,470,200
Adjusted YOY Change	<i>-5.7%</i>	<i>3.6%</i>	<i>4.1%</i>	<i>0.7%</i>	<i>-1.0%</i>		<i>18.9%</i>

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 FY2017 decrease in total expenditures is unusual. During the year prior, a number of staffing positions were added and the focus was to stabilize the expenditures in FY2017 which included few capital expenditures compared to other years. Due to this being a year that was not the norm, 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 FY2017 to FY2022	<i>5.94%</i>	<i>3.45%</i>
5 year Average FY2018 to FY2022	<i>8.02%</i>	<i>5.28%</i>

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

- FY2022 Budget – Will be included in the YOY averages and be the starting point for the forecasted expenditures.
- Escalation factor for expenditures will be **4.37%** per year which is the average of the 5-year average adjusted total cost (5.28%) and 6-year average adjusted total cost (3.45%). While this is significantly less than the YOY increase for FY2022 of 6.9%, 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	2.98%
	Expenditures (Uses) Escalation	4.37%

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

FY2022 was budgeted with a significant increase in property values based on the countywide property revaluation. While the Council effectively reduced the tax rate from 12.5 down to 18.6, this still resulted in an increase in ad valorem revenue of \$588,044. Overall FY2022 revenues decrease from \$9,243,305 in FY2021 to \$7,706,133. If we remove the passthrough revenue from the Chestnut roundabout and grants from the revenue lines, there is actually a 6.4% increase in revenue budgeted for FY2022 moving from \$7,199,981 to \$7,661,133.

The revenue forecast below shows Actual results for FY2020, unaudited FY2021, adjusted budgeted FY2022 and projected revenues through FY2026 using an escalation factor of 2.98% each year:

	<u>Actual</u> <u>FY2020</u>	<u>Unaudited</u> <u>FY2021</u>	<u>Budget</u> <u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Revenue Projections	\$ 8,971,951	\$ 9,243,305	\$ 7,706,133	\$ 7,935,776	\$ 8,172,262	\$ 8,415,795	\$ 8,666,586
	26.07%	3.02%	-16.63%	2.98%	2.98%	2.98%	2.98%

Forecasted Expenditures

Similar to revenue above, the chart below shows Actual results for FY2020 and unaudited FY2021, budget for FY2022 and forecasts for FY2023 to FY2026 using an escalation factor of 4.37% each year:

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 is 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 10/1/2021

GENERAL FUND REVENUES and EXPENDITURES FORECASTS

	Budget					
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
GF Revenue Forecast	\$ 8,854,613	\$ 7,317,433	\$ 7,547,076	\$ 7,783,562	\$ 8,027,095	\$ 8,277,886
Restricted (Powell Bill and other)	388,692	\$ 388,700	\$ 388,700	\$ 388,700	\$ 388,700	\$ 388,700
Total GF Revenues	\$ 9,243,305	\$ 7,706,133	\$ 7,935,776	\$ 8,172,262	\$ 8,415,795	\$ 8,666,586
		-16.63%	2.98%	2.98%	2.98%	2.98%
GF Forecasted Expenditures (not including Debt)	7,938,347	8,484,100	7,334,625	7,655,063	7,989,501	8,338,550

REVENUES OVER EXPENDITURES	\$ 1,304,959	\$ (777,967)	\$ 601,151	\$ 517,199	\$ 426,294	\$ 328,036
-----------------------------------	---------------------	---------------------	-------------------	-------------------	-------------------	-------------------

* Revenue Forecast is conservatively based on historical data and assumed at 2.98% each year
Expenditures are Forecasted to increase 4.37% each year and does not include debt service payments

DEBT SERVICE PAYMENTS	Budget					
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Principal	\$ 291,800	\$ 291,800	\$ 291,800	\$ 291,800	\$ 291,800	\$ 291,800
Interest (Paid Monthly)	87,248	78,015	67,947	57,882	48,423	37,752
Debt Service Due	\$ 379,048	\$ 369,815	\$ 359,747	\$ 349,682	\$ 340,223	\$ 329,552

TOTAL PROJECTED INCREASE/(DECREASE) TO FUND BALANCE BEFORE NOTABLE ITEMS or LARGE CAPITAL EXPENDITURES	\$ 925,911	\$ (1,147,782)	\$ 241,404	\$ 167,517	\$ 86,071	\$ (1,516)
---	-------------------	-----------------------	-------------------	-------------------	------------------	-------------------

GENERAL FUND - FORECASTED UNASSIGNED BALANCE

	Budget					
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning Balance	\$ 4,138,319	\$ 6,424,313	\$ 5,276,531	\$ 5,517,935	\$ 5,685,452	\$ 5,771,523
Less Available Cash needed for Capital Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other additions/deductions from Unassigned FB	\$ 1,598,811	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Fund Balance Available	\$ 5,737,130	\$ 6,424,313	\$ 5,276,531	\$ 5,517,935	\$ 5,685,452	\$ 5,771,523
Add Current Year Revenues over Expenditures	1,066,231	(777,967)	601,151	517,199	426,294	328,036
Total Available before Debt Service Payments	\$ 6,803,361	\$ 5,646,346	\$ 5,877,682	\$ 6,035,134	\$ 6,111,746	\$ 6,099,559
Less CY Debt Service Payments	\$ (379,048)	\$ (369,815)	\$ (359,747)	\$ (349,682)	\$ (340,223)	\$ (329,552)
Net Available Beginning of Next Fiscal Year	\$ 6,424,313	\$ 5,276,531	\$ 5,517,935	\$ 5,685,452	\$ 5,771,523	\$ 5,770,007
Add Minimum Fund Balance Requirement Reserved by Council changed to 20% in FY2021	1,770,640	1,770,640	1,770,640	1,770,640	1,770,640	1,770,640
Total Funds Available including Council Reserve	\$ 8,194,953	\$ 7,047,171	\$ 7,288,575	\$ 7,456,092	\$ 7,542,163	\$ 7,540,647

In summary the Five-Year Financial Plan as of FY2022 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:

- FY2022 includes capital expenditure items in the forecast since these items were approved during the budget process. For that reason, expenditures are greater than revenues due to the road repairs and greenway costs which created the (\$777,967) net margin as shown in the forecast above.
- From FY2023 through FY2026, revenues are over expenditures trend downward in the outyears. 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 FY2023 through FY2025, the interest and principal will be paid by using current year revenue. Beginning FY2026, 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, but any large capital expenditures will require the use of fund balance.
- COVID 19 pandemic has impacted operations, but we are unsure of the future effects to the revenue streams. Based on FY2021 operations, there has not been any indication of a drop in revenue, but continued closures may eventually effect the Town's finances.
- FY2022 revenue for ad valorem and motor vehicle taxes was affected by the Union County property tax revaluation increasing revenues for ad valorem taxes but decreasing motor vehicle taxes due to the overall drop in the Town's tax rate.
- Impacts of the Town's Capital Improvement Plan (CIP) 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 which have been held 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 \$1,195,344 at fiscal year-end 2022. 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	2017	2018	2019	2020	2021
Net Position					
Net Investment in Capital Assets	63,680	104,293	385,891	576,007	604,622
Unassigned	881,418	1,152,240	1,284,670	1,065,701	1,195,344
Total Net Position	\$ 945,098	\$ 1,256,533	\$ 1,670,561	\$ 1,641,708	\$ 1,799,966

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 FY2017 through FY2021 and budget value for FY2022.

	Revenue by Source					
	Exhibit 4					
	FY2017	FY2018	FY2019	FY2020	Unaudited FY2021	Budget FY2022
Storm Water Fees & Interest	\$ 488,516	\$ 493,804	\$ 474,935	\$ 475,932	\$ 477,030	\$ 490,100
<i>YOY Change</i>	1.48%	1.08%	-3.82%	0.21%	0.23%	2.74%

Storm Water revenue is consistent from FY2017 through FY2020 except for the drop in FY2019. The fee structure for the Town has not been changed since 2014 which makes the revenue flow as unfluctuating as indicated. While the budget for FY2022 represents an 2.74% increase, management feels that the 0.22% average increase from FY2020 through FY2021 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 FY2017 to FY2022, 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. The Town completed 24 storm water projects in FY2019, 26 projects in FY2020 and 21 projects in FY2021.

**Expenditures
Exhibit 5**

	FY2017	FY2018	FY2019	FY2020	Unaudited FY2021	Budget FY2022
Storm Water Expenditures less contingency	\$ 245,268	\$ 182,369	\$ 274,299	\$ 296,785	\$ 320,111	\$ 467,100
<i>YOY Change</i>	-36.85%	-25.65%	50.41%	8.20%	7.86%	45.92%

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 0.32%

Expenditures (Uses) Escalation – Annually expenditures are budgeted to equal revenue with any excess at year-end adding to the net position of the fund. During FY2022 budgeting process, Council voted to include a contingency in the expenses that would have to be appropriated to be used that year. Included in the FY2022 budget, a contingency of \$23,000 was deducted from the total expenditures for this purpose. For planning purposes, the average increase from FY2020 to FY2021 was **8.03%**. For projections from FY2022 and forward, the FY2021 actual expenses will be escalated by 8.03% in the out years. 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 10/1/2021**

STORM WATER FUND REVENUES and EXPENDITURES FORECASTS

	Projected	Budget				
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
SW Revenue Forecast	\$ 477,030	\$ 478,079	\$ 479,131	\$ 480,185	\$ 481,241	\$ 482,300
		0.22%	0.22%	0.22%	0.22%	0.22%
SW Expenditures	320,112	346,361	374,763	405,493	438,744	474,721
REVENUES OVER EXPENDITURES	\$ 156,918	\$ 131,718	\$ 104,368	\$ 74,692	\$ 42,497	\$ 7,579

STORM WATER FUND - FORECASTED UNASSIGNED BALANCE

	Projected	Budget				
	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Beginning Balance	\$ 1,065,701	\$ 1,192,958	\$ 1,324,676	\$ 1,429,044	\$ 1,503,736	\$ 1,546,233
Less Appropriated Fund Balance	\$ 29,661	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Fund Balance Available	\$ 1,036,040	\$ 1,192,958	\$ 1,324,676	\$ 1,429,044	\$ 1,503,736	\$ 1,546,233
Add Current Year Revenues over Expenditures	156,918	131,718	104,368	74,692	42,497	7,579
ENDING UNASSIGNED BALANCE	\$ 1,192,958	\$ 1,324,676	\$ 1,429,044	\$ 1,503,736	\$ 1,546,233	\$ 1,553,812

Town of Stallings Capital Improvement Plan (CIP)

The Town adopted a Capital Improvement Plan (CIP) 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.”¹

The CIP is a five-year plan which is updated annually in conjunction with the annual budget process. The CIP 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 CIP. The Five-Year Financial plan projects unassigned fund balance which could be for these type projects.

Attached is the most recently approved CIP as well as a copy of the Town of Stallings Capital Improvement Plan Policy.

CIP chart below was adopted by Council in conjunction with the FY2022 Budget in June 2021. Many of the departmental expenses that are considered a necessity 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.

Since the adoption of the FY2022 Budget, Council signed a purchase agreement on October 15, 2021 for property in the proximity of town hall which is an integral piece of real estate for the future development of a downtown district. The negotiated purchase price of the property is \$2,750,000 and property closing date will be before November 30, 2021. This purchase is not reflected on the CIP but is included in the forecasted unassigned fund balance chart on page 19 of this document.

¹ Town of Stallings Capital Maintenance and Infrastructure Improvement Plan, Policy Purpose, page 1.

CMIP Potential Expenditures - Approved June 2021

Potential Projects	2022	2023	2024	2025	2026
Government Owned Facilities - Buildings, Council Chambers, Community House					
New Community Building - Includes Park & Rec offices and storage					
Front Entrance to Old Town Hall - Replace Doors and install Key fob entry	28,900				
Land Investments					
Stallings Road Property (329 Stallings Road) - Demolition		20,000			
Stallings Road Property (325 Stallings Road) - Demolition		20,000			
Town Connectivity - Parks/Greenways/Trails					
Privette Road Park					
Playground Equipment, shade, turf and fence (2 phases)	5,000	23,000	28,000		
Stallings Municipal Park					
Stallings Park - Sprinkler System		50,000			
Stallings Park - Signage		10,000			
Stallings Park - Wifi		TBD			
Stallings Park - Camera System (needs Wifi)		TBD			
Stallings Park - 2 Playgrounds Replacement			250,000		
Blair Mill Park					
Blair Mill Park Signage	10,000				
Blair Mill Park Enhancements	50,000				
Blair Mill Park Storage		15,000			
Blair Mill Greenway (N1) - Vickery Portion					
Construction	550,000				
Central Stallings Spine - Town Hall and Municipal Park (CS-1)					
Engineering			275,000		
Construction					
Town Connectivity - Sidewalks					
Sidewalks:					
Lawyers Road (2A)				340,000	
Lawyers Road (2B) (Buckingham to end of jurisdiction) (S-7)				340,000	
Equipment					
Computer Equipment - Repair/Replacement Plan Annually	20,000	50,000	50,000	50,000	50,000
Police Department - Fleet Repair/Replacement Plan Annually	123,200	126,280	129,437	132,673	135,990
Police Department - Lexipol policy Manual and Guardian Tracking	12,000	12,000	12,000	12,000	
Police Department - Body Camera Replacement	14,500	14,500	14,500	14,500	
Police Department - In-Car Camera Replacement	27,900	27,900	27,900	27,900	
Police Department - Portable Message Board for traffic control		12,000			
Public Works - Building and Grounds Contingency as building ages			10,000	10,000	10,000
Public Works - HVAC Repairs/Replacement	20,000	20,000	20,000	20,000	20,000
Public Works - Smart Meter Installation - Delayed		10,000			
Public Works - Zero Turn Mower	15,000				
Public Works - Vehicle Replacement				40,000	
Planning/Zoning - Vehicle Replacement				35,000	
Park & Rec - Pickup Truck & Trailer		50,000			
Park & Rec - Permanent Structure for Farmers Market			TBD		
Transportation					
Infrastructure Improvements:					
Streetscape and Signage					
Signage - Street Sign Change	5,000				
Stallings & Greenway Signage - Const Documents & Monument Gateway Signage					
Gateway Signage @ Atrium Roundabout	200,000				
Down Town					
DFI Downtown Feasibility Assessment - Phase I	75,000				
DFI Downtown Feasibility Assessment - Phase II	TBD				
Downtown Site Control & Implementation Costs	TBD				
Street Resurfacing and Sidewalks - Powell Bill + Additional Funds	\$ 663,700	\$ 663,700	\$ 663,700	\$ 663,700	663,700
Potter Road/Pleasant Plains Intersection					
Update Transportation Master Plan	25,000				
Total General Government	\$ 1,845,200	\$ 1,124,380	\$ 1,480,537	\$ 1,685,773	\$ 879,690

Updated General Fund Forecast

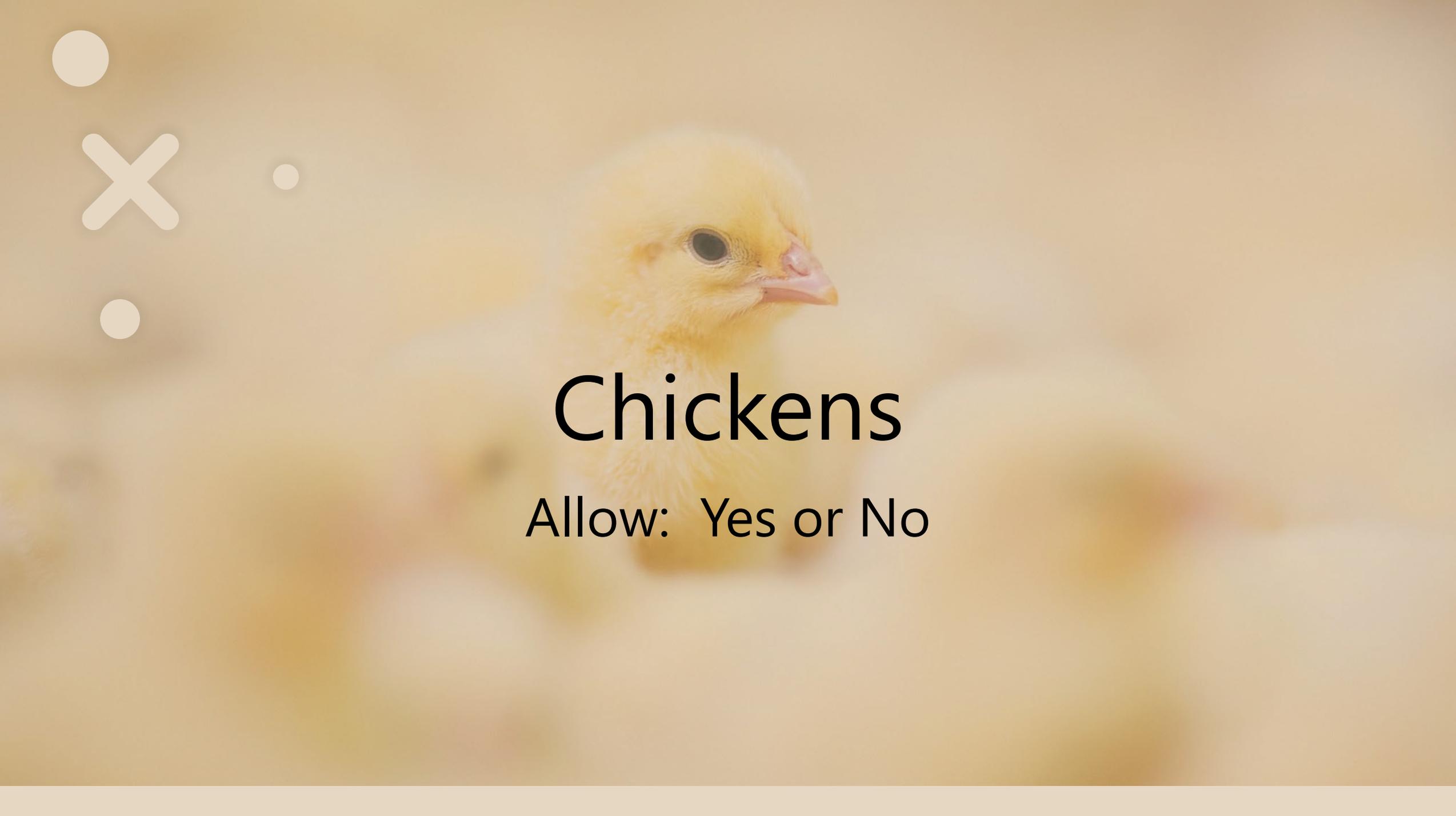
Including CIP Projects

GENERAL FUND - FORECASTED UNASSIGNED BALANCE

	Budget FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning Balance	\$ 4,138,319	\$ 6,424,313	\$ 2,526,531	\$ 2,032,255	\$ 1,107,935	\$ (103,067)
Less Available Cash needed for Capital Project	\$ -	\$ (2,750,000)	\$ (735,680)	\$ (1,091,837)	\$ (1,297,073)	\$ (490,990)
Other additions/deductions from Unassigned FB	\$ 1,598,811	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned Fund Balance Available	\$ 5,737,130	\$ 3,674,313	\$ 1,790,851	\$ 940,418	\$ (189,138)	\$ (594,057)
Add Current Year Revenues over Expenditures	1,066,231	(777,967)	601,151	517,199	426,294	328,036
Total Available before Debt Service Payments	\$ 6,803,361	\$ 2,896,346	\$ 2,392,002	\$ 1,457,617	\$ 237,156	\$ (266,020)
Less CY Debt Service Payments	\$ (379,048)	\$ (369,815)	\$ (359,747)	\$ (349,682)	\$ (340,223)	\$ (329,552)
Net Available Beginning of Next Fiscal Year	\$ 6,424,313	\$ 2,526,531	\$ 2,032,255	\$ 1,107,935	\$ (103,067)	\$ (595,572)
Add Minimum Fund Balance Requirement Reserved by Council changed to 20% in FY2021	1,770,640	1,770,640	1,770,640	1,770,640	1,770,640	1,770,640
Total Funds Available including Council Reserve	\$ 8,194,953	\$ 4,297,171	\$ 3,802,895	\$ 2,878,575	\$ 1,667,573	\$ 1,175,068

- Note that in FY2022 capital purchases listed on the CIP were already included in the FY2022 Budget. The only capital purchase for FY2022 added was for the purchase of the property adjacent to Town Hall. For FY2023 through FY2026 only projects that included additional funds and were not departmental equipment replacements were included in the cash needed for capital projects line.
- Also note that this analysis does not include any of the ARP or CRTPO funding that we received or will receive for capital projects. These funds will positively impact the General Fund Balance if they are used on any of the projects listed on the CIP.

In summary, the available fund balance in the outyears decreases regardless of whether CIP projects are included but do decrease more quickly with the CIP expenditures included in the projections. While the new projects listed on the CIP would be additional expenditures, others listed such as police cameras, building maintenance, computer maintenance, and HVAC replacements are critical to maintain operations. The analysis above also shows revenues more than expenses before debt service and CIP expenses, but they decrease each year. If this trend is accurate, it will be necessary for the Town to use reserves to cover operational expenses. There will not be excess funds to add services due to the growth in the town (for example: add police officers to cover Atrium Hospital) or for other operational needs. At that point, there will need to be a tax increase for the Town to maintain healthy fund balances and achieve the long-term goals of the Town while maintaining a fiscally responsible and growing community.



Chickens

Allow: Yes or No

Background History

- Chickens are allowed in Stallings if the property is 2 or more acres (Chapter 91.15 Keeping of Certain Animals Prohibited; Exceptions)
- This is not the first-time an ordinance change was requested to allow chickens – it was previously denied by council
- Draft ordinance change, based on best practices from surrounding communities, is being presented to the Council for consideration

Top complaints fielded by town/city's

- Crowing Roosters, Crowing Roosters, Crowing Roosters
- Odors
- Free range = Complaints about the chickens hopping the fences and entering yards or on the street
- Coops too close to a neighboring property
- Complaints in Stallings
 - Chickens on property
 - Roosters

Town/City Comparisons

	Union County				Mecklenburg County		
	Stallings [proposed]	Indian Trail	Monroe	Waxhaw	Matthews	Mint Hill	Pineville
1. Are chickens allowed?	[If] Yes	Yes	Yes	Yes	Yes	Yes***	Yes
Roosters?	No	No	Yes	No	No	No	No
2. If yes, restrictions?	Yes	Yes	Yes	Yes	Yes	No	Yes
Acreage	Smallest lot size 1/4 acre	Smallest lot size 1/4 acre	Unknown	Smallest lot size 1/4 acre	Smallest lot size 1/4 acre		Smallest lot size 1/4 acre
Coop restrictions?	Yes	Yes	No	Yes	Yes	No	Yes
Location	30 ft from any residence and 25 ft from the property line	25 ft from any property line	Not noted in the City's ordinance	25 ft from any residence and 5 ft from the property line	30 ft from any residence and 25	***considered "Pets"	30 ft from any residence and 25 ft from the property line
Confined:	Yes, to coop	Yes, to coop	Noted as agricultural	Free range, contained w/fence	Yes, to coop	***considered "Pets"	Free range, contained w/fence
3. Permit needed?	*Yes	No	No	*Yes	*Yes	*Yes	Yes
Cost	\$25 Annually	None	Unknown	\$25 Annually	\$25 Annually	\$40.00 one-time fee	None
Penalty, example from three of the towns/cities	First offense: Warning Second offense: \$100.00 Third Offense: \$300.00 and subsequent \$50.00 per day	First offense: \$50.00 Second offense: \$75.00 Third Offense: \$150.00 4th Offense - \$250 fine. 5th Offense - \$500 fine and seizure/forfeiture of the animal.	First offense: \$100.00 Second offense: \$200.00 Third Offense: \$500.00	First offense: \$50.00 Second offense: \$75.00 Third Offense: \$150.00 4th Offense - \$250 fine. 5th Offense - \$500 fine and seizure/forfeiture of the animal.	First offense: \$50.00 Second offense: \$75.00 Third Offense: \$150.00 4th Offense - \$250 fine. 5th Offense - \$500 fine and seizure/forfeiture of the animal.	***considered "Pets"	30 days to bring into compliance: Penalty \$50/violation and/or \$50/day for violations not corrected after the due date.
4. Who manages the program?	Code Enforcement Officer unless an Animal Control Officer is hired	Town Animal Control Officer	Town Animal Control Officer	Town Animal Control Officer	Mecklenburg County Animal Control	Mecklenburg County Animal Control	Town Animal Control Officer
		Program just started - no hard data yet				75 to 100 complaints/year	

Maps of Stallings

Lots less/more than .33 acre



Locations of Chicken Prohibitions

County Line

Town of Stallings Limits

Roads

Interstate

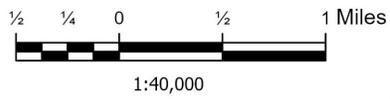
NC Route

Local Route

Parcels < 0.25 Acres

Parcels < 0.33 Acres

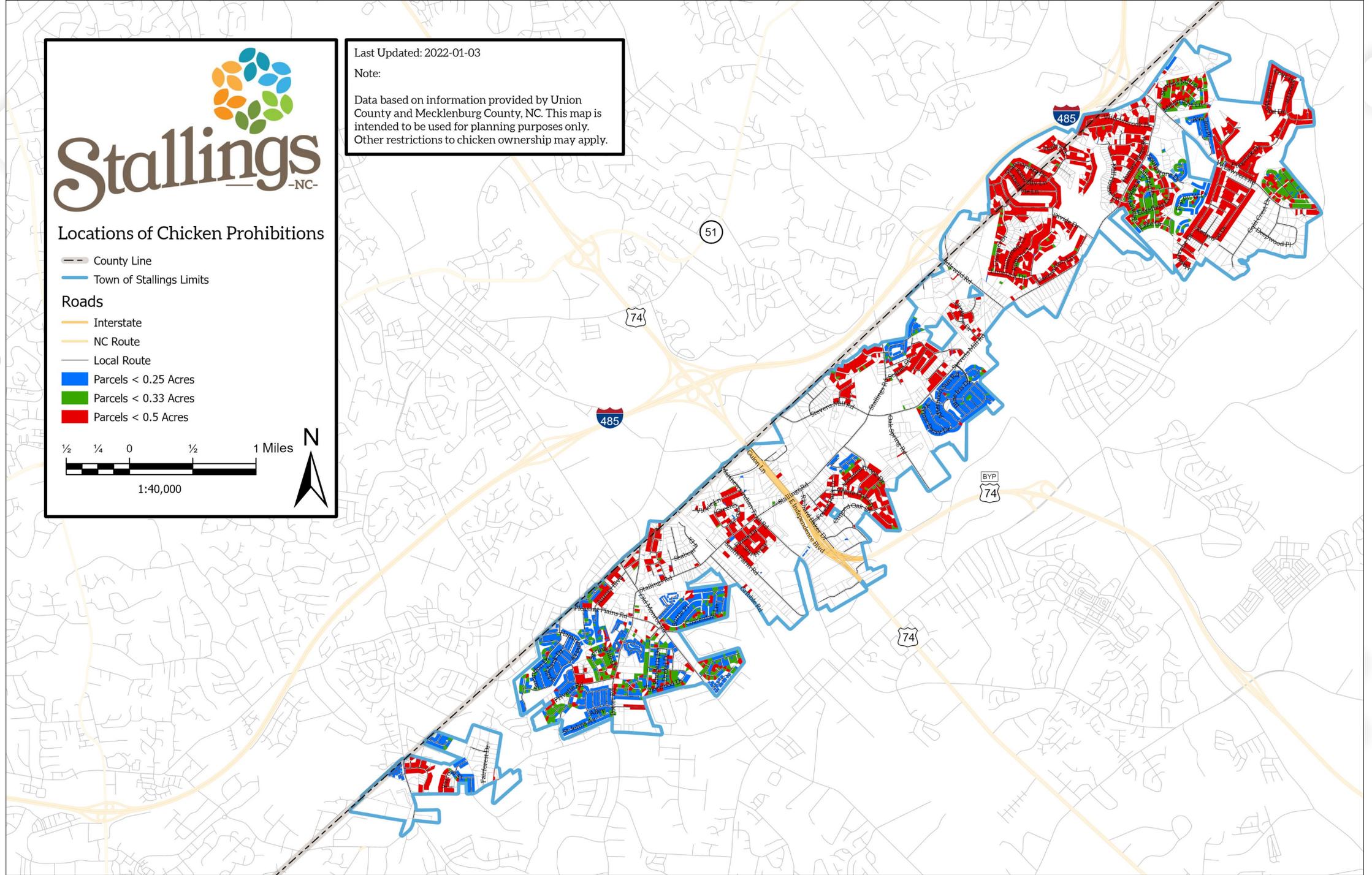
Parcels < 0.5 Acres



Last Updated: 2022-01-03

Note:

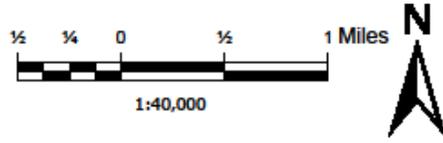
Data based on information provided by Union County and Mecklenburg County, NC. This map is intended to be used for planning purposes only. Other restrictions to chicken ownership may apply.



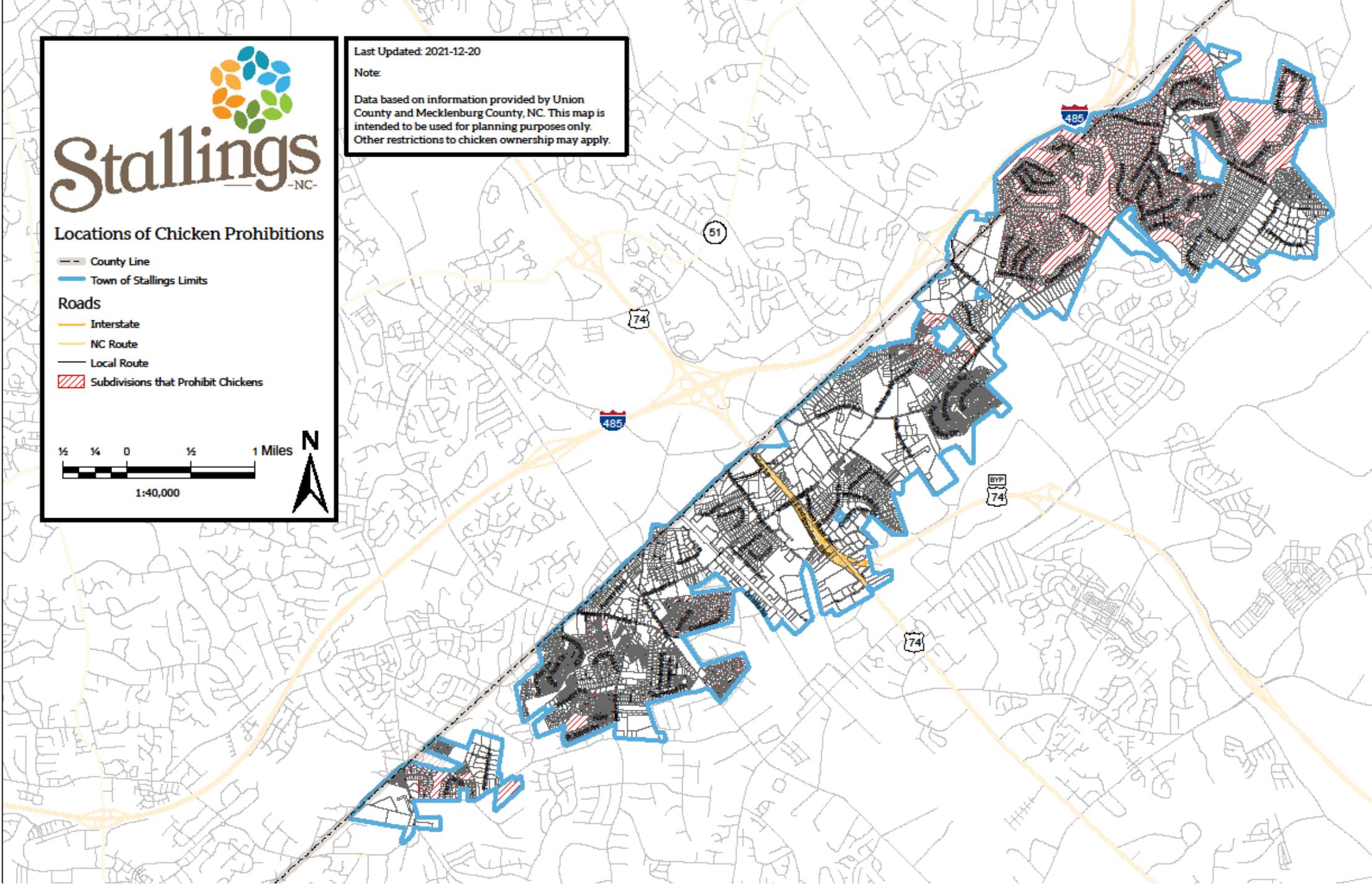


Locations of Chicken Prohibitions

- County Line
- Town of Stallings Limits
- Roads
 - Interstate
 - NC Route
 - Local Route
 - Subdivisions that Prohibit Chickens



Last Updated: 2021-12-20
Note:
Data based on information provided by Union County and Mecklenburg County, NC. This map is intended to be used for planning purposes only. Other restrictions to chicken ownership may apply.



Ordinance Change

- + (C) Chickens allowed in town; permit.
- + (1) Live chickens shall be allowed in the town's municipal limits with a valid permit (one permit per household). No roosters shall be allowed.
- + (2) The owner or possessor must pay an annual permit fee in the amount established and/or modified by the Town of Stallings. Annual renewal fees must be paid on or before July 1.
- + (3) Before a permit is issued, the Code Enforcement Officer shall verify the size of the property and inspect the premises to verify all other setback and other requirements are met per the ordinance.
- + (4) When a permit is denied for any reason, the applicant shall be given a written explanation of the reason for denial.

Ordinance Change

- + (D) Permit Considerations: An owner or possessor of such animals shall comply with the following applicable provisions before a permit is issued. All shelters described within this section must meet all standards as defined within the Town of Stallings Ordinance, as noted.
- + (1) Chickens are prohibited on lots less than one-fourth acre (10,890 square feet) in size; no more than twenty (20) chickens per acre. The number of chickens shall be proportionate to the acreage (i.e., 5 per 1/3 acre, 10 per 1/2 acre, 15 per 3/4 acre, 20 per acre).
- + (2) The chickens must be confined in a coop (no free-range) not less than eighteen (18) inches from the ground. The coop shall be a minimum of 30 feet from the nearest residence other than that of the owner and a minimum of 25 feet from any property line. The coop shall have a minimum of four (4) square feet of floor area for each chicken, with a maximum of one coop allowed per property.
- + (3) The coop shall be kept clean, sanitary, and free from accumulation of animal excrement and objectionable odors.
- + (4) No slaughter or sale of slaughtered chickens is allowed within the Town unless expressly permitted by the Town's development ordinance;
- + (5) The permit may be revoked upon violation of the terms and provisions of this section. Permits shall not be issued and may be revoked if the chicken is likely to endanger the health, safety, peace, quiet, comfort, enjoyment of or otherwise become a public nuisance to nearby residents or occupants or places of business.
- + (6) If renting, tenants must get written approval from the property owner and must submit the approval with the permit application.

Ordinance Change

+ E. Penalties and Remedies

+ (a) Civil Penalties. The Code Enforcement Officer may issue a warning citation for a first offense of this ordinance. The Code Enforcement Officer may issue a civil citation for any subsequent violations of this ordinance, subjecting the violator to a civil penalty of \$100.00 for a second offense and \$300.00 for the third offense and subsequent \$50.00 per day

+ (b) If a person fails to pay the citation within 10 days of issuance, the Town may seek to enforce this ordinance through any appropriate equitable action.

+ (c) Each day the violation continues after the offender has been notified of the violation shall constitute a separate offense.

+ (d) The Town may seek to enforce this ordinance by using any one or a combination of the foregoing remedies.

+ 1. Civil Citation

+ 2. Liens for unpaid fines

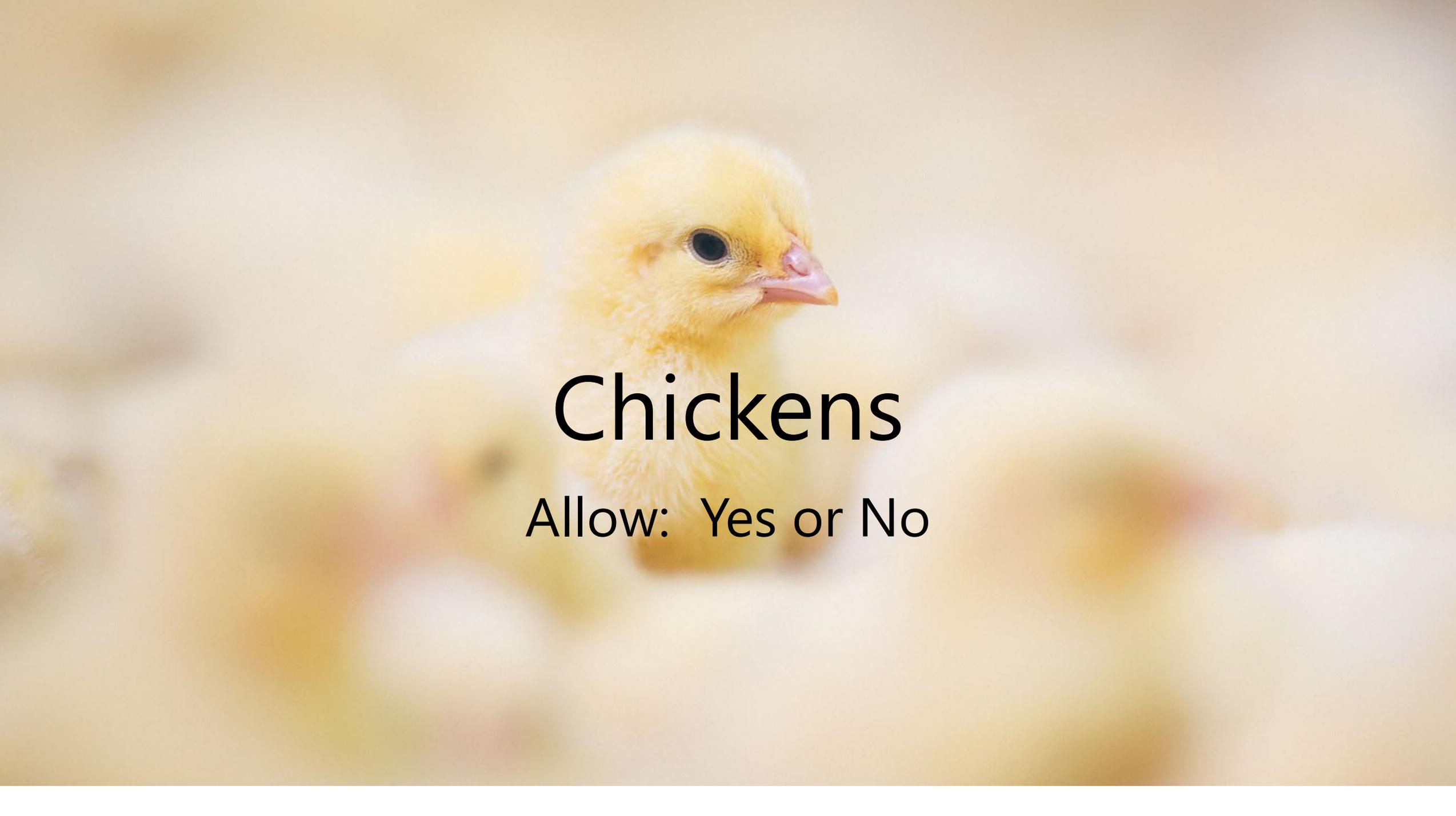
Pros and Cons

Pros

- Residents of Stallings allowed chickens [per ordinance adopted]
- Aligns with what other neighboring communities are doing

Cons

- One Code Enforcement Officer – No Animal Control Officer (Refer to Union County for other than permitting, inspections, etc.)
- Possible code enforcement service level decrease or increase cost
 - A rough estimate of 2 hours per week;
 - Likely reduction in code enforcement services or a higher cost
 - Code enforcement efficiency may be reduced in other areas (tall grass, weeds; debris, etc.)
 - Alternatively, the town could contract out this work or hire other staff; this would result in a higher cost to the Town
 - More at onset if adopted
 - Maintenance (tracking of coops, inspections, re-inspections, permits)



Chickens

Allow: Yes or No



Ordinance Amending Code of Ordinances, Title IX *General Regulations*, Chapter 91 Animal Control, Section 91.15 Keeping of Certain Animals Prohibited; Exceptions

WHEREAS, the Stallings Town Council recognizes the need for an appealing and cohesive community; and

WHEREAS, the Stallings Council desires to amend the ordinance to encourage a safe, healthy, and unified community;

NOW, THEREFORE, BE IT ORDAINED that the Town Council of the Town of Stallings, North Carolina amend the Code of Ordinances, Title IX, Chapter 91, Section 91.15 to the following:

CHAPTER 91: ANIMAL CONTROL

Currently reads:

FARM ANIMALS

§ 91.15 KEEPING OF CERTAIN ANIMALS PROHIBITED; EXCEPTIONS.

(A) It shall be unlawful for any person to keep any horse, mule, donkey, pony, hog, cattle, sheep, chicken, turkey, goat or pig within the municipal limits of the town except on a residentially zoned parcel or tract of land two acres or greater in size. However, horses may be allowed on a residentially zoned parcel or tract one and one-half acres or greater in size. The list of animals provided above is not to be deemed all-inclusive.

(Ord. passed 6-26-95)

(B) (1) Any equine animal (horse, pony, donkey or mule) which is being kept on a parcel of land in violation of division (A) above may continue to be kept on the same parcel of land until either:

(a) The animal dies; or

(b) The animal is no longer kept on the parcel of land for more than 60 consecutive days.

(2) An animal may be kept pursuant to this section only if it has been registered on or before December 14, 2000. No animal may be substituted for an animal kept under this section.

(Ord. passed 11-13-2000; Am. Ord. passed 9-28-2009) Penalty, see § [10.99](#)

Amend to read:

CHAPTER 91: ANIMAL CONTROL

FARM ANIMALS

§ 91.15 KEEPING OF CERTAIN ANIMALS PROHIBITED; EXCEPTIONS.

(A) It shall be unlawful for any person to keep any horse, mule, donkey, pony, hog, cattle, sheep, turkey, goat or pig within the municipal limits of the town except on a residentially zoned parcel or tract of land two acres or greater in size. However, horses may be allowed on a residentially zoned parcel or tract one and one-half acres or greater in size. The list of animals provided above is not to be deemed all-inclusive.

(Ord. passed 6-26-95)

(B) (1) Any equine animal (horse, pony, donkey or mule) which is being kept on a parcel of land in violation of division (A) above may continue to be kept on the same parcel of land until either:

(a) The animal dies; or

(b) The animal is no longer kept on the parcel of land for more than 60 consecutive days.

(2) An animal may be kept pursuant to this section only if it has been registered on or before December 14, 2000. No animal may be substituted for an animal kept under this section.

(C) Chickens allowed in town; permit.

(1) Live chickens shall be allowed in the town's municipal limits with a valid permit (one permit per household). No roosters shall be allowed.

(2) The owner or possessor must pay an annual permit fee in the amount established and/or modified by the Town of Stallings. Annual renewal fees must be paid on or before July 1.

(3) Before a permit is issued, the Code Enforcement Officer shall verify the size of the property and inspect the premises to verify all other setback and other requirements are met per the ordinance.

(4) When a permit is denied for any reason, the applicant shall be given a written explanation of the reason for denial.

(D) Permit Considerations: An owner or possessor of such animals shall comply with the following applicable provisions before a permit is issued. All shelters described within this section must meet all standards as defined within the Town of Stallings Ordinance, as noted.

(1) Chickens are prohibited on lots less than one-fourth acre (10,890 square feet) in size; no more than twenty (20) chickens per acre. The number of chickens shall be proportionate to the acreage (i.e., 5 per $\frac{1}{3}$ acre, 10 per $\frac{1}{2}$ acre, 15 per $\frac{3}{4}$ acre, 20 per acre).

(2) The chickens must be confined in a coop (no free-range) not less than eighteen (18) inches from the ground. The coop shall be a minimum of 30 feet from the nearest residence other than that of the owner and a minimum of 25 feet from any property line. The coop shall have a minimum of four (4) square feet of floor area for each chicken with a maximum of one coop allowed per property.

(3) The coop shall be kept clean, sanitary, and free from accumulation of animal excrement and objectionable odors.

(4) No slaughter or sale of slaughtered chickens is allowed within the Town unless expressly permitted by the Stallings Development Ordinance.

(5) The permit may be revoked upon violation of the terms and provisions of this section. Permits shall not be issued and may be revoked if the chicken is likely to endanger the

health, safety, peace, quiet, comfort, enjoyment of or otherwise become a public nuisance to nearby residents or occupants or places of business.

(6) If renting, tenants must get written approval from the property owner and must submit the approval with the permit application.

E. Penalties and Remedies

(a) Civil Penalties. The Code Enforcement Officer may issue a warning citation for a first offense of this ordinance. The Code Enforcement Officer may issue a civil citation for any subsequent violations of this ordinance, subjecting the violator to a civil penalty of \$100.00 for a second offense and \$300.00 for the third offense and subsequent \$50.00 per day

(b) If a person fails to pay the citation within 10 days of issuance, the Town may seek to enforce this ordinance through any appropriate equitable action.

(c) Each day the violation continues after the offender has been notified of the violation shall constitute a separate offense.

(d) The Town may seek to enforce this ordinance by using any one or a combination of the foregoing remedies.

1. Civil Citation

2. Liens for unpaid fines

(Ord. passed 11-13-2000; Am. Ord. passed 9-28-2009; Am. Ord. passed 1/10/2022) Penalty, see § [10.99](#)

Adopted this the ## day of [month], 2022.

Wyatt Dunn, Mayor

Attest:

Erinn E. Nichols, Town Clerk

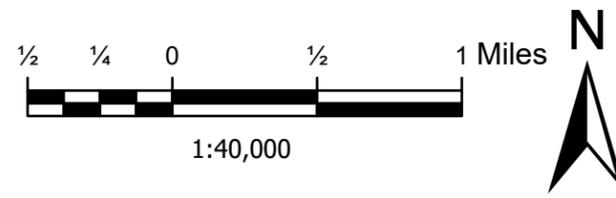
Approved as to form:

Cox Law Firm, PLLC



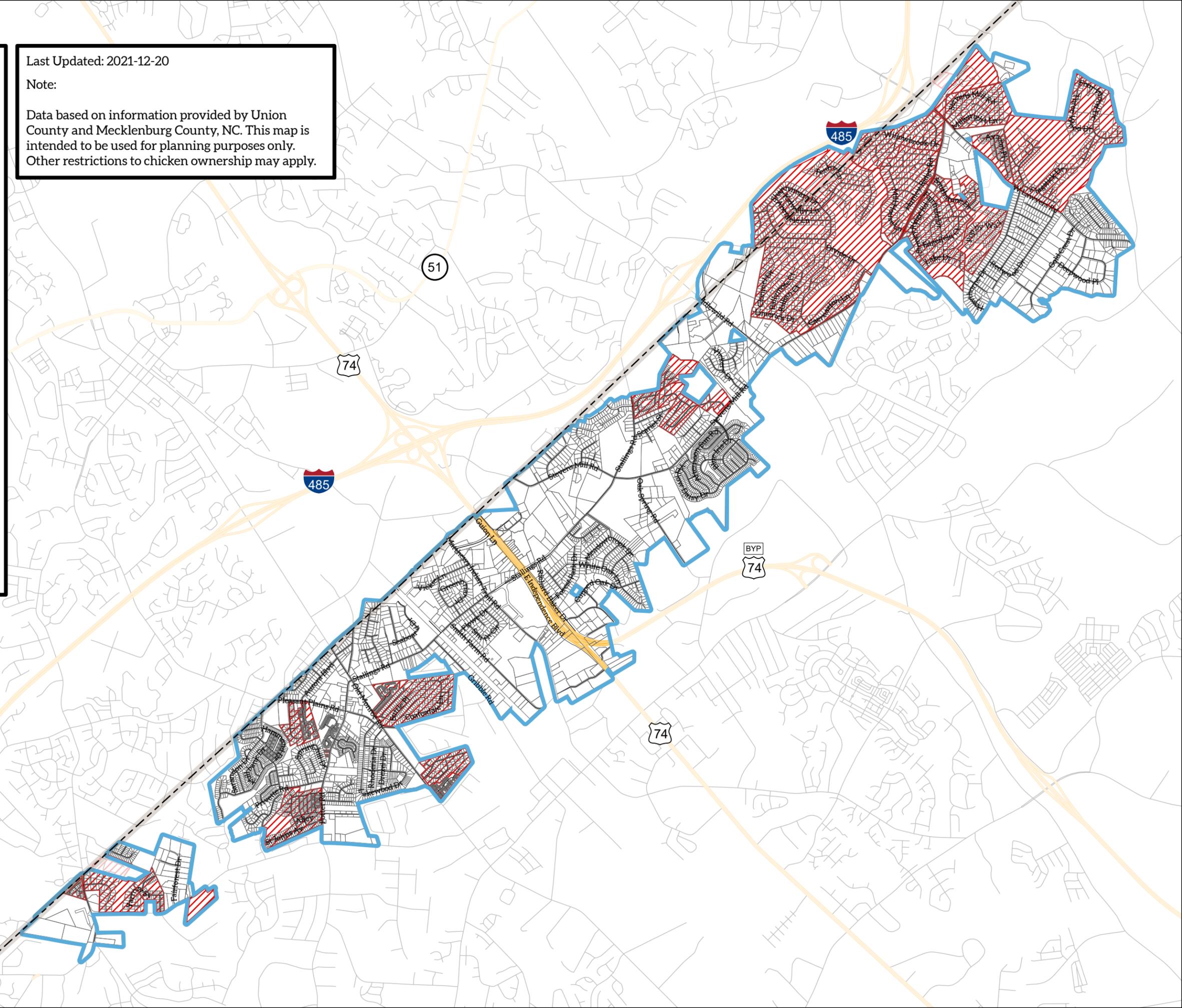
Locations of Chicken Prohibitions

- County Line
 - Town of Stallings Limits
- Roads**
- Interstate
 - NC Route
 - Local Route
 - ▨ Subdivisions that Prohibit Chickens



Last Updated: 2021-12-20

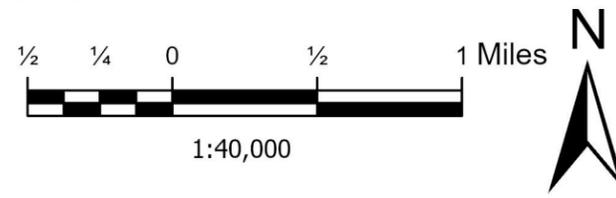
Note:
Data based on information provided by Union County and Mecklenburg County, NC. This map is intended to be used for planning purposes only. Other restrictions to chicken ownership may apply.





Locations of Chicken Prohibitions

- County Line
 - Town of Stallings Limits
- ### Roads
- Interstate
 - NC Route
 - Local Route
 - Parcels < 0.25 Acres
 - Parcels < 0.33 Acres
 - Parcels < 0.5 Acres



Last Updated: 2022-01-03

Note:
Data based on information provided by Union County and Mecklenburg County, NC. This map is intended to be used for planning purposes only. Other restrictions to chicken ownership may apply.

