



**Minutes of the Burlington
City Council Work Session**
Virtual Meeting
5:00pm - Monday, May 3, 2021

www.BurlingtonNC.gov/councilpackets

Due to the Coronavirus Pandemic, this meeting was convened remotely using the Zoom Webinar platform.

Council Members Present:

Mayor Ian Baltutis
Mayor Pro Tem Kathy Hykes
Council Member Robert Ward
Council Member Harold Owen
Council Member James Butler

Council Members Absent: None

Staff Present:

City Manager, Hardin Watkins
City Attorney, David Huffman
Interim City Clerk, Beverly Smith

Scott Bibler, Peter Bishop, Amy Cameron, Rachel Kelly, Nolan Kirkman, Sara Beth Hardy, Todd Lambert, Morgan Lasater, Tony Laws, Jay Mebane, Mike Nunn, Conrad Olmedo, Bob Patterson, Peggy Reece, Louisa Sholar, Leigh Sims, Gary Smith, and Russell Williams.

Presenters Present: Rebecca Ashby, Michael Blair, Jenn Tavantzis, Keith Readling

Media Present: Tomas Murawski, Alamance News

A) Proposed FY 2021-2022 Budget Presentation

City Manager Hardin Watkins presented the proposed budget for the fiscal year beginning July 1, 2021. He provided an overview of objectives, process, content, and goals for City Council to take consideration at the City Council Meeting in June 2021. He shared the following main points of the proposed budget for the City of Burlington:

Overview of FY 21-22 Budget

- Balancing with no property tax rate increase while maintaining the same level of service for the citizens
- COVID-19 has impacted all that we do – FY 21-22 will be our effort to NORMALIZE
- Increasing costs of personnel expenses (health insurance, merit increases – 2%, retirement system mandates, PTRC study)
- Catching up on deferred capital expenditures – some visible, some less visible (roofs, equipment replacement, aging vehicles, etc.)

- No ARP funds used to balance in this proposal
- Strength of sales tax receipts is very positive
- With continued strong retail economy & no regulatory changes – this is fueling the City’s major revenue growth to continue service provision

General Fund Budget – Highlights

Proposed Budget of \$62,479,369

- No property tax increase – keep same rate of \$.5973 per \$100 valuation
- Funding increase for health insurance (~\$181,000)
- Mandated retirement system increase (~\$369,000)
- Merit salary adjustment (2%)
- Other increases across departments: travel & training – for 75% of year post-COVID, auto expense/fuel, maint. service contracts – all normalized from pandemic year
- Unfreezing 5 remaining frozen PT positions (Recreation)
- All other FY 20-21 FT frozen positions were unfrozen in Jan. 2021 by Council action
- Budget Manager – recommended as frozen – only one remaining
- 2 new positions & 4 restructured positions:
 - > 2 new positions – Animal Services Officer & PC Tech (ASO costs covered by increased revenues & PC Tech covered by cost cutting measures)
 - > 4 positions restructured (ECU Tech, Accreditation Manager, Records Clerk (1 FT from 3 PT), and The Valley Asst. Golf Manager (increase covered by cost cutting measures))
- Change in fire hours from 2912 to 2756 for full 12 months
- If receive SAFER grant is successful – 4 new firefighter positions

Revenues:

- Growth in projected Property Tax revenue due to new development and robust real estate market
- Growth in projected Sales Tax revenues due to strong consumer purchasing trends
- *Safer Grant - \$232,000 (*to be determined)
- Growth in Building Permit revenues projected
- Projected increases in Animal Service revenues
- Increase in Sanitation revenues/fees

Expenditures:

- All departments asked to submit limited growth budget.
- Minimal new items/programs – all asked to show offsetting cuts or revenue enhancement (organizational norm).
- *Major Infrastructure & Capital*
 - Tandem dump truck
 - Rear Loader truck
 - 16 Police cars
 - Street resurfacing
 - Computer hardware
 - Fairway sprayer
 - Other vehicle replacements

Water Resources Fund Budget:

- Proposed Budget of - \$31,781,367
- Proposed Budget includes a 1% increase in water and sewer rates to offset inflation and allow continued attention on capital improvements.
- Average residential customer increase of 45 cents per month using 5,000 gallons of water & sewer service monthly
- Proposed Budget contains funding for employee health insurance, OPEB funding, and mandated retirement contribution increase

Revenues:

- Water usage – projected flat
- Sewer usage – projected flat
- Proposed 1% increase in water and sewer rates

Key Expenditures:

- Capital requests funded at 100%
 - Water line replacements (Greeson Road – from Kirkpatrick Road to Loch Ridge)
 - Little Alamance Creek 21”sewer interceptor rehab
 - Mayfair Mill & Innovative Knitting Outfalls
 - SCADA PLC & hardware replacement
- Water & Sewer Master Plan
- Personnel cost increases: health insurance, retirement contributions, 2% merit pay
- Unfreezing 2-meter readers, 2 pipe maintenance staff, & 1 wastewater operator

Emphasis in Water Resources Fund:

- Mission: maintain & improve infrastructure to provide safe & clean drinking water, effectively treat wastewater, promote economic development, & improve quality of life.
- Planned major improvements:
 - *Initiate radio meter read conversion (\$2,000,000 Water Cap Reserve Fund)
 - *Greeson Lane waterline replacement (\$375,000)
 - *Little Alamance Creek 21” sewer interceptor rehab (\$1,900,000)
 - Inflow & infiltration reduction (\$425,000)
 - 2” water line replacements (\$275,000)
 - *Replace SCADA PLC & hardware (\$200,000)
 - *Mayfair Mill & Innovative Knitting outfalls (\$561,000)
 - Replace filter actuators (\$120,000)
 - 6” sewer line replacements (\$175,000)

Water/Sewer Rates:

Typical Utility Service Bill (Based on 2,500 gallons per month) Low Volume User

| | Current | Proposed 21-22 |
|---------------------------|-----------------|-----------------|
| Water | \$ 10.50 | \$ 10.60 |
| Sewer | 12.95 | 13.03 |
| Stormwater | 7.00 | 7.00 |
| Solid Waste / Recycling | 9.36 | 9.36 |
| TOTAL MONTHLY BILL | \$ 39.81 | \$ 39.99 |
| COST PER DAY | \$ 1.327 | \$ 1.333 |

Typical Utility Service Bill (Based on 5,000 gallons per month) Average User

| | Current | Proposed 20-21 |
|---------------------------|-----------------|-----------------|
| Water | \$ 21.00 | \$ 21.20 |
| Sewer | 25.80 | 26.05 |
| Stormwater | 7.00 | 7.00 |
| Solid Waste / Recycling | 9.36 | 9.36 |
| TOTAL MONTHLY BILL | \$ 63.16 | \$ 63.61 |
| COST PER DAY | \$ 2.11 | \$ 2.12 |

Transportation Fund:

- Link Transit start date – June 6, 2016 (almost 5 years)
- Major success | **404,000+** riders
- Goal: *Clean – Safe – On Time*
- Funding of \$407,814 for operations from General Fund
- One-time capital expense of \$662,000 (bus replacements, shelters & bus apparatus)
- Proposed Budget: \$2,752,500
- Federal funding: 80% for capital items, 50% for operations

Stormwater Fund:

- No change in rates
- Rate \$7.00 per month per 24,500 customers
- Proposed Budget of \$1,974,044
- No change in rates
- Rate \$7.00 per month per 24,500 customers
- Proposed Budget of \$1,974,044

Normalization Post-Pandemic:

- As we begin to see the light at the end of the tunnel for this once in a lifetime challenge, the City can begin to pivot to normalization from a bizarre and difficult year of unprecedented change, resiliency, and adaptability.
- This proposed budget reflects and projects these notions.
- Thanks are offered to all that have worked tirelessly to get our community through these challenges with grace and a sincere heart for service to all of our community members

City Manager Watkins expressed appreciation to the budget team, City department heads and finance staff for their role in the development of the FY 21-22 proposed budget.

B) Local and Regional Small Business Assistance Programs

Economic Development Project Manager Blake Moyer presented a report on local and regional business assistance programs involved in Alamance County. He provided an overview of Burlington microenterprise loans, Maple Avenue Façade grants, Alamance Community Foundation Revolving Loan Fund, and Piedmont-Triad Regional Council Revolving Loan Fund.

Mr. Moyer briefed City Council on each source of funding and provided an overview of the initial funding, funding allocated, funds remaining, and number of applicants requesting funding from each source. He provided the following graph for each category:

Overview of Source, Funding, Applicants

| <u>Source</u> | <u>Initial Funding</u> | <u>Funding Allocated</u> | <u>Funding Left</u> | <u>Successful Applicants</u> |
|----------------------------|------------------------|--------------------------|---------------------|------------------------------|
| Burlington Microenterprise | \$155,000 | \$63,000 | \$92,000 | 9 |
| Maple Ave. Façade Grants | \$100,000 | - | \$100,000 | - |
| ACF Revolving Loan Fund | \$395,000 | \$325,000 | \$84,000 | 18 |
| PTRC Revolving Loan Fund | \$2,000,000 | \$2,000,000 | - | 35 |

In conclusion, Mr. Moyer clarified the following recommendations should City Council wish to provide non-infrastructure support to City businesses with ARP fund.

- Revolving Loan Funds have been successful with more flexible terms
- When PPP runs out of funding again, will likely have increased demand
- If City Council is looking for non-infrastructure impact, staff would suggest reaching out to Alamance Community Foundation regarding a Revolving Loan Fund
- Set similar parameters of \$25,000 loan limit and initial funding of \$250,000

Mr. Moyer stated the recommendation of staff in Economic Development is to open discussions with the Alamance Community Foundation and gauge the interest in setting up a similar program for the City of Burlington.

City Council discussed the program recommendations, criteria to qualify, rate of payback, and possibilities long term should the City launch a revolving loan program.

C) CDBG-CV Funds Reallocation

Director of Planning and Transportation Mike Nunn briefed Council on a recommendation to reallocate existing CDBG-CV funds from the Utility Assistance Program to the following nonprofits for Emergency Assistance Programs (rental assistance/gas/electric).

First Utility CV Funding: \$ 70,639.00
 Second Utility CV Funding: \$ 86,000.00
 Total CV Utility Funding: \$156,639.00

Total Utility Funding Spent to Date: \$ 19,994.88

Remaining Utility Funding Balance: \$136,644.12

Amount of Utility Funding Proposed to be Reallocated: \$126,000.00

Reallocation recommendation:

Women’s Resource Center: \$90,000.00 (waiting list of 100 +/- people)
 CityGate Dream Center: \$20,000.00 (waiting list of 10-15 +/- people)
 Allied Churches: \$16,000.00 (waiting list 6-8 people +/-)

PTRC staff, Michael Blair clarified the standards of CDBG-CV funds and requirements of these agencies to receive funding assistance.

Following a brief discussion, consensus was for City staff to proceed with recommended funding reallocation.

D) April 19, 2021, Focused Work Session Follow-Up

Assistant City Manager Rachel Kelly provided an overview of the follow-up requests following the April 19, 2021, Focused Work Session.

Director of Finance & Risk Management Peggy Reece reported on the net Recreation Revenues & Expenditure compared to FY 18-19 for potential revenue replacement should ARP funds be eligible.

Economic Director Peter Bishop reported on costs estimates of industrial site readiness for Site #2 (Airport Sewer Outfall and Anthony Road improvements, Site #3 (Water line Phase 1) and (Site #12 in Guilford County near Highway 61 interchange).

City Council discussed and directed staff to see what the City's options are with the state, update our local representatives to seek support in that area, set priorities for each of these sites, and determine the City's responsibility for funding and seek additional guidance on what site is eligible for ARP funding.

Council Member Bob Ward was excused and left the meeting at 6:30pm.

Director of Planning and Transportation Mike Nunn reported on Link Transit proposed service changes and shared expenses and the following main points:

- FY 20-21 and proposed FY 21-22 city transit budget has funds available to provide either:
 - Extension of **weekday** service to 9:30pm or **Saturday** service for 9 hours (9am to 6pm)
- Weekday service extension 1.5 hours from 8pm to 9:30pm = \$99,504 / city share = 50% or \$49,752 (estimate +/- for fuel and required paratransit service)
- Saturday service extension 9 hours / 9am to 6pm proposed = \$129,355 / city share = 50% or \$64,677 (estimate +/- for fuel and required paratransit, exact service hours TBD)
- Note, Gibsonville will need to be consulted as to the expanded service that they receive since this would increase their operating cost also – (Alamance County and or ACC are also financial partners to consider)
- Fare Free should also be considered with any new extension of service to enhance ridership
- Staff does not believe either option could be offset with ARP Funds

Following a brief discussion, City Council consensus was to proceed with plans to start a Saturday run with Link Transit beginning at 9am to 6pm and proceed with a Fare Free transit system. Mr. Nunn will bring a proposed start date back to City Council for consideration following conversations with Link Transit staff of the additional enhanced service recommendation.

Water Resources Director Bob Patterson and City Engineer Todd Lambert presented projects within City limits that may be underserved or experience utility issues where potential issues could be addressed related to in-fill water/sewer projects. They provided a brief overview and estimated project costs for the following projects:

In-Fill Water/Sewer Projects:

- Wilkins Street Outfall – Proposed Sewer
- Apple Street Outfall – Sewer Relocation
- Robertson – Lakeside Sewer Relocation
- Beaumont Avenue Connection – Proposed Water
- Faucette Avenue – Proposed Water and Sewer
- McDade/Lynn Road – Proposed Water and Sewer

Mayor Baltutis called for a brief break at 7:14pm. Mayor Baltutis called the meeting back to order at 7:21pm.

City Manager Watkins reported he had great conversations with Alamance County and Guilford County on City of Burlington suggested projects for water, sewer, and broadband that align with project of interest to Alamance County.

- Alamance County:
 - Currently refining ideas. The projects COB has suggested (water, sewer, broadband) align with projects of interest to Alamance County.
- Guilford County:
 - Strategy will focus on how to make investments that build resiliency. They asked us to hone our ideas and forward to the County Manager (3rd week of May). Our concepts match up with other proposals received from Guilford municipalities.

Assistant City Manager Rachel Kelly reported on conversations with Greensboro, Sedalia, and Whitsett. She reported those conversations aligned with their development plans along Hwy 70 and expressed interest in further discussions with the City of Burlington.

I.T. Director Scott Bibler reported on conversations with Greensboro and shared next steps to get engineering study conducted and will update Council once more information has been collected.

The following main points were shared from conversations with area counties & neighboring communities:

- Greensboro:
 - IT Department interested in partnering in both the 40/85 connection and Hwy. 70 connection. Positioned to contribute financially.
- Sedalia:
 - Broadband is a concern.
 - Only one provider for each section of town and poor-quality service.
 - Would entertain future conversation regarding a broadband project.
- Whitsett:
 - Internet cost and coverage are concerns.
 - Hwy. 70 is where growth will concentrate. That route is attractive.
 - Would be interested in presentation to Whitsett Council.

E) 2021-2022 Annual Action Plan for CDBG and HOME Program

PTRC Staff Michael Blair and Rebecca Ashby were in attendance and presented an overview of the draft 2021-2022 Annual Action Plan including a review of proposed public infrastructure projects and public services allocations. He reported a public hearing has been set for the May 4, 2021, City Council Meeting for Council consideration and received public input. He reported following City Council approval the approved AAP can be submitted to HUD.

Mr. Blair briefed Council on the following proposed infrastructure projects:

| To Select - Enter "1" | Project | FY21 CDBG Allocation | \$ 339,743 | Available FY21 CDBG Infrastructure Funds |
|--------------------------|--|-------------------------|-------------------|---|
| 1 | Vaughn Road SW | \$ 90,000.00 | \$ 90,000 | |
| 1 | North Park Phase 2B - Trail on West Side of the Creek | \$ 150,000.00 | \$ 150,000 | |
| 1 | Ebenezer Church "COUCH House" Comm Outreach Center | \$ 25,000.00 | \$ 25,000 | |
| 1 | Ruby Lane to Haw River Greenway - PH1 (natural surface) | \$ 75,000.00 | \$ 75,000 | |
| | Ruby Lane to Haw River Greenway - PH1 & PH2 (hard surface) | \$ 250,000.00 | \$ - | |
| | Kingsbury Bathroom @ North Park | \$ 190,000.00 | \$ - | |
| | Plaid Street Sewer Line | \$ 145,000.00 | \$ - | |
| | Habitat AH Dev - Street/Sidewalk | \$ 150,000.00 | \$ - | |
| | North Park Fiber and Cameras | \$ 70,000.00 | \$ - | |
| | Robinston Park Fiber and Cameras | \$ 35,000.00 | \$ - | |
| | Fairchild Picnic Shelter | \$ 25,000.00 | \$ - | |
| | North Park Picnic Shelter | \$ 25,000.00 | \$ - | |
| | | | \$ 340,000 | Total |
| | | | \$ (257.00) | Balance |

1 Staff Recommended Projects
City Council to Determine Final Projects

Following discussion, Council consensus was to proceed with proposed recommended project plans and report to City Council on future park activities related to fiber and camera installation projects.

Mr. Blair presented the following CDBG Public Services proposed funding distribution.

City Council discussed and expressed concerns of the available funds for future distributions since that amount will be reduced in coming years. Council consensus was to proceed with proposed funding distribution as presented.

CDBG Public Services Proposed Funding Distribution

PUBLIC SERVICE GRANTS

| Non-Profit | Activity | Requested | Proposed | % |
|------------------------------------|---|-----------|----------|-----|
| United Way Alamance | Tax Prep for Elderly & LMI | \$15,000 | \$9,560 | 11% |
| Allied Churches | Serenity Home Operations | \$25,000 | \$17,307 | 20% |
| Exchange Club | Abuse Prevention Classes in East Burlington | \$9,000 | \$5,736 | 7% |
| City Gate Dream Center | Youth Center Salaries | \$15,000 | \$9,560 | 11% |
| Positive Attitude Youth Center | Summer Camp and After School Program | \$25,153 | \$16,031 | 19% |
| North Park Library | Replace books, periodicals, other media | \$10,000 | \$5,000 | 6% |
| Burlington Development Corporation | Daycare for LMI Individuals | \$15,000 | \$9,560 | 11% |
| Residential Treatment Services | Case Management Salaries | \$20,000 | \$12,747 | 15% |
| Totals | | \$134,153 | \$85,500 | |
| Available Funds | | \$85,500 | 64% | |
| Delta | | \$48,653 | 36% | |

Council Member Butler was excused and left the meeting at 8:14pm.

F) Impervious Area Analysis & Stormwater Fee Structure Evaluation

Water Resources Director Bob Patterson recapped the November 4, 2019, Work Session and December 2, 2019 Work Session discussions and provided a brief overview of how the impervious area analysis project evolved.

Stormwater Manager Amy Cameron explained the current fee structure for residential and commercial properties. She briefed Council on the RFQ process in October 2020 and reported five responses were received. She reported Raftelis partnering with WK Dickson was approved during that process.

Keith Readling of Raftelis provided an overview of the company, shared experience, and background information, and explained their approach to consulting the City of Burlington.

Jenn Tavantzi provided project objectives, program planning/develop revenue requirements, and impervious area data development. She explained the financial and rate model, public outreach, and participation to include public meetings across the City to inform ratepayers about the existing program, gathering feedback, and report back to Council on the findings.

Council consensus was to place an addition on the May 4, 2021, City Council Meeting for consideration to approve a proposed professional services agreement between the City of Burlington and Raftelis Financial Consultants, Inc.

G) City Park Audio Upgrades

City Council decided to move Item G to a Staff Report on the May 4, 2021, City Council Meeting.

H) Review of Proposed State Legislation Regarding Planning and Zoning

City Council decided to move Item H to a Staff Report on the May 4, 2021, City Council Meeting.

I) Boards and Commissions Reports

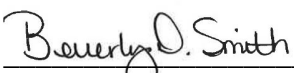
Planning and Zoning Commission – 1 Item

Director of Planning and Transportation Mike Nunn reported on a request to rezone from MDR Medium Density Residential to GB General Business. The property is located north of the University Drive and Boone Station Drive intersection and south of Rural Retreat Road (across from Joe C. Davidson Park). The property totals 13.82 acres in size, is addressed as 3802 Rural Retreat Road, and is referenced as Alamance County tax identification number 106912. He reported staff recommends approval of the rezoning request as consistent with the Comprehensive Land Use Plan and the Planning and Zoning Commission voted unanimously to recommend approval of the rezoning request.

J) City Manager Report

Mayor Baltutis requested City staff review hazardous waste collection efforts to help residents dispose of hazardous materials in addition to annual efforts through the Alamance County landfill.

The meeting adjourned at 8:45pm.


Beverly D. Smith, NCCMC
Interim City Clerk

May 3, 2021
Work Session