



Town of Angier

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Robert K. Smith
Mayor

Gerry Vincent
Town Manager

Veronica Hardaway
Town Clerk

BOARD OF COMMISSIONERS WORKSHOP

May 18, 2021

6:30pm

Pledge of Allegiance

Invocation

Approval of Agenda

Business Items:

1. Town Manager's Recommended FY21-22 Budget Message-*Gerry Vincent, Town Manager*
2. Presentation by Davenport & Company-Angier's Financial Plan- *Kyle Laux & David Rose*
 - a. Resolution of the Board of Commissioners of the Town of Angier Supporting an Application to the North Carolina Local Government Commission for its Approval of Town Revenue Bonds in the Estimated Maximum Principal Amount of \$2.2 and Revenue Refunding Bonds in the Estimated Maximum Principal Amount of \$5.3
3. Stormwater Management Fee Discussion-*Bill Dreitzler, Staff Engineer*
4. Budget Amendment #9-*Hans Kalwitz, Finance Director*
5. American Rescue Act & CARES Act Budget Ordinance- *Hans Kalwitz, Finance Director*



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Budget Message Fiscal Year 2021-22

May 18, 2021

Honorable Mayor and Board of Commissioners:

It is my pleasure to submit to you the Manager's recommended budget for your consideration for FY 2021-22. As required by NC State Statute 159-11 (b), the proposed budget is balanced and includes many of the goals, objectives and strategies from the Board of Commissioners, as discussed and outlined during the Town's Annual Retreat.

Contrary to the last two fiscal years, both the General Fund and Utility Fund are strong and self-supporting. Therefore, two-thirds of salaries and benefits were removed from the Utility Fund, and now 100% in the General Fund. In addition, revenues were projected on a relative conservative growth rate.

In addition, I would recommend that the Board of Commissioners consider increasing the Vehicle License Fee from \$5 to \$10. Angier has the lowest rate in Wake County, and in Harnett County, the Town of Dunn is \$30, which is the maximum. In addition, I would recommend that the increase be established as "restrictive funds" towards street paving and maintenance. The proposed increase would generate approximately \$19,500, which is equivalent to paving a subdivision. The rate increase is not included in the recommended budget tonight, but for your consideration.

The good news, last year's financial audit returned approximately \$128,818 back to the General Fund Balance and \$450,000 back to the Utility Fund Balance, respectfully. For the last three fiscal year audits, funding has returned to the fund



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balance for both the General Fund and the Utility Fund. The Fund Balance accounts are budgeted to fund the capital improvement projects in FY22.

On March 26th & 27th, the Board of Commissioners and staff held its Annual Board Retreat in Angier, due to COVID-19. During the course of the two days, the following strategies and recommendations were adopted:

- Action was unanimously approved to move forward with financing options, location, and final design of a new Town Hall/Police Station;
- Action was unanimously approved to investigate more details with applying for a Community Development Block Grant (CDBG) in Ward 3; the activities will include improvements to the water, sewer, streets, sidewalks, drainage and housing;
- Action was unanimously approved to review the Community Center Concept in the Jack Marley Park;
- Action was unanimously approved to make an offer on three properties in the downtown, not to exceed \$200,000; and
- Action was unanimously approved to authorized the Town Manager to re-evaluate and act on plans for a Farmer's Market and/or multi-purpose area concept.

The highlights of the proposed budget are as follows:

General Fund:

- Ad Valorem Tax Rate will remain level at \$0.53/\$100 property valuation.
- General Fund Budget for FY22 is being proposed at \$5,071,376 (2.1% Increase)
- Utility Fund Budget for FY22 is being proposed at \$4,133,799 (-14.6% Decrease)



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- 4% Cost of Living Adjustment (COLA) Effective July 1st 2% & January 1st (2022) 2 % for all full-time employees (By splitting the percentages in July and January, there is a cost savings of \$28,922.31);
- NC Retirement System continues to increase by the State;
- The Jack Marley Park Comprehensive & Master Plan recommended a number of renovations and additions such as:
 - Renovations/Additions:
 - Children's Park (New Fencing);
 - Tennis Court (New Fencing, net and surface);
 - Convert shuffle board court to a new pickleball court;
 - Install "New Dog Park";
 - Add additional parking in front of old school house;
- Fund a comprehensive master plan for a Future Angier Park Site;
- Funding established for non-profits at \$8,500 (Same as last year);
- Willow Street/Junny Road Sidewalk Project;
- New Town Hall/Police Station future debt service continues to be reserved;
- Health Insurance rates with Cigna began at an 30% increase; however, was negotiated to 6%;

Utility Fund:

- A fee increase of 2.7% based on the Five-Year Rate & Fee Schedule presented by EnvironLink and adopted by the Board of Commissioners; the proposed increase only affects the sewer rate (\$1.85/month increase);
- Funding set aside for the future debt service of the Harnett County Wastewater Plan expansion (\$6M);
- Incorporated new debt service established by the upgrades of Pump Stations #1, #6, and #9;



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In addition, I would like to thank our entire staff for their hard work, support and inclusiveness during this budget process. A special thank you to the Town's Department Heads, especially Veronica Hardaway, Melissa Wilder and Hans Kalwitz for the long hours and assistance in preparing this budget. In addition, thank you to every single employee during this unprecedented time. During the pandemic, we ALL worked tirelessly to keep each other safe, healthy and continued to provide services at a high level.

In summary, as the Town Manager's Recommended Budget is presented to you tonight, an advertisement will be published in the local newspaper for a Public Hearing for June 15th, at 6:30pm. The days in between tonight and June 15th, staff, directors and commissioners will schedule meetings to thoroughly review tonight's recommended budget.

Lastly, although the recommended budget does not encompass all requests, but it does cover top priorities discussed by the Town Manager, staff and the Board of Commissioners.

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF ANGIER
SUPPORTING AN APPLICATION TO THE NORTH CAROLINA
LOCAL GOVERNMENT COMMISSION FOR ITS APPROVAL OF
TOWN REVENUE BONDS IN THE ESTIMATED MAXIMUM PRINCIPAL AMOUNT
OF \$2,200,000 AND REVENUE REFUNDING BONDS IN THE ESTIMATED
MAXIMUM PRINCIPAL AMOUNT OF \$5,300,000**

WHEREAS, the Board of Commissioners (**the "Board"**) of the Town of Angier (**the "Town"**) has previously indicated its approval of a plan for the design, acquisition, construction, improvement, expansion, renovation and equipping of Town sewer system facilities, including new pump stations, sewer lines and related facilities (**the "Project"**); and

WHEREAS, Davenport & Company as the Town's financial advisor (**the "Financial Advisor"**) has presented a plan to finance the Project from proceeds of Town revenue bonds (**the "Project Revenue Bonds"**), such revenue bonds to be payable from the operating revenues of the Town's water and sewer system (**the "System"**); and

WHEREAS, the Financial Advisor has also presented a plan for the refinancing all or some Town obligations entered into to pay capital costs of the improvement and expansion of the System (**the "Prior System Obligations"**), through the issuance of Town revenue refunding bonds (**the "Revenue Refunding Bonds" and, together with the Project Revenue Bonds, the "Revenue Bonds"**) in order to achieve debt service savings for the Town (**the "Refunding"**); and

WHEREAS, the Prior System Obligations are the Town's (a) \$1,240,000 Sanitary Sewer System Revenue Bond, Series 2010A, (b) \$1,311,000 General Obligation Refunding Bond, Series 2011, (c) \$1,921,000 Sanitary Sewer System Revenue Bond, Series 2012 and (d) 2017 \$1,600,000 Installment Financing Agreement; and

WHEREAS, the Revenue Bonds are anticipated to be sold at private sale to a bank or banks and be payable solely from the operating revenues of the System; and

WHEREAS, North Carolina law requires that the Town's issuance of the Revenue Bonds be approved by the North Carolina Local Government Commission (**the "LGC"**), a division of the North Carolina State Treasurer's office, and under the LGC's guidelines and North Carolina law the Board must make certain findings of fact to support the Town's application for the LGC's approval of the proposed Revenue Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Angier, North Carolina, that the Town makes a preliminary determination to finance costs of the Project, including costs of issuance of the Project Revenue Bonds, and costs of the Refunding, including costs of issuance of the Revenue Refunding Bonds, by issuance of the Revenue Bonds as follows:

<u>Component</u>	<u>Estimated Amount</u>
Project Component	\$ 2,200,000
Refunding Component	\$ 5,300,000
<u>Total</u>	<u>\$7,500,000</u>

The Board will determine the final amount to be financed by subsequent resolution or resolutions and bond order or bond orders. The total amount financed may reflect adjustments to the amounts listed above.

BE IT FURTHER RESOLVED that the Board makes the following findings of fact:

1. The Project and the Refunding as described above are each necessary and appropriate for the Town under all the circumstances. The Project will upgrade and improve Town sewer facilities to better serve citizens of the Town and the Refunding will result in debt service savings to the Town. The Project and the Refunding are each an important component of the Town's long-term plans to supply water and sewer services.

2. The Project and the Refunding are each feasible. The Town expects to pledge the net revenues from the Town's water and sewer System to the payment of the Revenue Bonds, on a parity basis with any existing water and sewer revenue bonds not refunded and water and sewer revenue bonds that may be issued by the Town in the future. The Town's analysis reflects that any proposed rate increases that may be necessary to pay debt service with respect to the Revenue Bonds are reasonable and not excessive.

3. As confirmed to the Board at this meeting by the Town's Manager, (a) the Town's debt management procedures and policies are sound and in compliance with law, and (b) the Town is not in default under any of its debt service obligations.

4. The Town will be able to issue the Revenue Bonds at reasonable rates of interest. Town officials and the Financial Advisor have conducted preliminary discussions with bank representatives and those discussions reflect reasonable interest rates (which form the basis for the conclusions set forth in (2) above). The Town will closely review proposed lending rates against market rates with guidance from the its Financial Advisor.

BE IT FURTHER RESOLVED as follows:

(a) The Town's Manager and Finance Officer are each authorized and directed to take all appropriate steps toward the completion of the financing, including application to the LGC for its approval of the proposed Revenue Bonds.

(b) The Financial Advisor is authorized to distribute a request for proposals to potential lenders for purchase of the proposed Revenue Bonds. The Town requests that the LGC sell the Revenue Bonds to the lender or lenders selected by the Board in accordance with the proposal or proposals approved by the Board. The Board makes the foregoing determination and request subject to final negotiation of the terms of the proposal by the Town Manager. The final issuance of the revenue bonds in any event is subject to the LGC's approval of the bond issue and the Board's approval, by subsequent resolution, of final financing documents.

(c) The Board appoints Sands Anderson PC ("**Bond Counsel**") to serve as the Town's bond counsel with respect to the authorization and issuance of the proposed Revenue Bonds, and confirms its prior appointment of Davenport & Company LLC as financial advisor to the Town. The Board authorizes and directs the Manager to agree on financial terms with bond counsel in accordance with the proposal submitted by Bond Counsel. Bond Counsel is

authorized to, on behalf of the Town Finance Director, to provide notice to the appropriate parties of intent to adopt a proposed bond order supplemental to the revenue bond order adopted by the Board on February 9, 2009.

(d) The Board intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse Project expenditures from Project Revenue Bond proceeds, and reiterates and confirms the prior reimbursement resolution adopted by the Board of March 16, 2021 incorporating the maximum estimated principal amount of the Project Revenue Bonds as set forth above in the amount of \$2,200,000.

(e) All Town officers and employees are authorized and directed to take all such further action as they may consider necessary or desirable in furtherance of the issuance of the Revenue Bonds and the purposes of this resolution. All such prior actions of Town officers and employees are ratified, approved and confirmed.

(f) This resolution shall take effect immediately.

The undersigned Clerk of the Town of Angier, North Carolina, certifies that the foregoing is a correct and complete copy of a resolution duly adopted by the Town's Board of Commissioners at a regular meeting duly called and held on May 18, 2021. A quorum was present and acting throughout such meeting. Such resolution has not been repealed, revoked, rescinded or amended, but remains in full effect as of today.

WITNESS my signature and the seal of the Town of Angier, North Carolina, this ____ day of _____, 2021.

[SEAL]

Town Clerk
Town of Angier, North Carolina



Board of Commissioners Agenda Report

55 N Broad Street W.
PO Box 278
Angier, NC 27501
www.angier.org

MEETING DATE: May 18, 2021
PREPARED BY: Hans Kalwitz
ISSUE Budget Amendment #9
CONSIDERED:
DEPARTMENT: Finance

SUMMARY OF ISSUE:

The Library Department has received donations that exceed anticipated revenue. To maintain this being a Library Department restricted revenue, this amendment will increase the Library Department's Donations expenditure line by \$66.

Additionally, the Library Department was awarded the "libraries transforming communities" grant from the American Library Association. A portion of this revenue will be used during FY 2021 and the remainder will be used in FY 2022. At our July Regular Board of Commissioners meeting we will provide a budget amendment for the remaining portion.

FINANCIAL IMPACT:

This amendment increases the General Fund by \$816 and both are restricted Library revenue.

RECOMMENDATION: N/A

REQUESTED MOTION:

Motion to adopt FY 2021 Budget Amendment #9

REVIEWED BY TOWN MANAGER:

This has been reviewed by the Town Manager.

Attachments: N/A



Town of Angier

Board Approved Budget Amendment # 9

Be it hereby ordained by the Town Council of the Town of Angier that the following amendments be made to the Budget Ordinance adopted on the 16th day of June, 2020 (as well as subsequent amendments) as follows:

General Fund (10 Fund)				
General Fund Revenue	Line Item	Budget	Change	Amended Budget
LIBRARY DONATIONS	10-3007-0002	721	↑ 66	787
LIBRARY GRANT	10-3007-0005	-	↑ 750	750
Total Revenue Budget		4,965,432	816	4,966,248
Library Department	Line Item	Budget	Change	Amended Budget
DONATIONS	10-9007-0062	721	↑ 66	787
LIBRARY GRANT	10-9007-0065	-	↑ 750	750
Total Budget Expenditures for Dept 9007		247,036	816	247,852

Motion to adopt FY 2021 Board Approved Budget Amendment #9

Adopted this the 18th day of May, 2021

Robert K. Smith, Mayor

Attest:

Veronica Hardaway, Town Clerk



Board of Commissioners Agenda Report

55 N Broad Street W.
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MEETING DATE:	May 18, 2021
PREPARED BY:	Hans Kalwitz
ISSUE	American Rescue Plan Act and CARES Act Budget Ordinance
CONSIDERED:	
DEPARTMENT:	Finance

SUMMARY OF ISSUE:

As discussed during our April Regular Board meeting and April Workshop meeting, state and local governments will be receiving \$1.9 trillion COVID-19 relief package; known as The American Rescue Plan Act. The Town of Angier will be receiving \$1,580,000 with the first distribution to be received by \$790,000. After reviewing guidelines, the Town will establish a separate Fund for this distribution. The budget ordinance not only will embrace these funds, but will manage the remaining amount of CARES Act money. Currently the CARES Act money is held in the General Fund although, through the new Fund, the remainder will be allocated out of the General Fund and into the ARP & CARES Act Fund. Associated expenses will be departmentalized for easier tracking and transparency.

FINANCIAL IMPACT:

This Budget Ordinance pertains to the \$1,580,000 and \$140,480; American Rescue Plan Act and CARES Act respectively.

RECOMMENDATION: N/A

REQUESTED MOTION:

Motion to adopt the NC DEQ Capital Project Budget Ordinance

REVIEWED BY TOWN MANAGER:

This has been reviewed by the Town Manager.

Attachments: N/A



**American Rescue Plan
&
CARES Act
Budget Ordinance
FY 2021 thru FY 2022**

BE IT ORDAINED by the Board of Commissioners of the Town of Angier, Harnett County, North Carolina in accordance with G.S. 159-13 of the North Carolina General Statutes that:

Section 1: The following revenue is hereby appropriated to the ARP & CARES Act Fund to be used, in accordance to provisions and guidance, during the fiscal years beginning May 18, 2021, and ending June 30, 2022:

American Rescue Plan Distribution	\$	1,500,000
CARES Act Distribution		104,480
		<hr/>
TOTAL	\$	1,604,480

Section 2: The following expenditures are hereby appropriated in the ARP & CARES Act to be used, in accordance to provisions and guidance, during the fiscal years beginning May 18, 2020, and ending June 30, 2022:

American Rescue Plan Department		
Angier Business Improvement	\$	250,000
General Fund Government Services		250,000
Downtown Sewer Improvements		1,000,000
CARES Act Department		
CARES Act	\$	94,480
General Fund Utilization		10,000
		<hr/>
TOTAL	\$	1,604,480

Adopted this 18th day of May, 2021.

Town of Angier Board of Commissioners

Robert K. Smith, Mayor

ATTEST:

Veronica Hardaway, Town Clerk