



## **TOWN OF CORNELIUS**

### **BOARD OF COMMISSIONERS**

Electronic Meeting via Zoom

June 18, 2020

Agenda

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#### **TOWN BOARD SPECIAL MEETING - 7:00 PM**

- 1. CALL TO ORDER**
  - A. Zoom Link for Meeting
- 2. DETERMINATION OF QUORUM**
- 3. APPROVAL OF AGENDA**
- 4. CITIZEN CONCERNS/COMMENTS**
  - A. Public Comment Guidelines
- 5. MAYORAL PROCLAMATIONS**
  - A. Proclamation for Georgia Krueger for Retirement from Ada Jenkins Center
- 6. CONSIDERATION OF APPROVAL**
  - A. FY2021 Operating Budget and Tax Rate
- 7. ADJOURNMENT**

## REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: June 18, 2020

**To:** Mayor and Board of Commissioners

**From:** Andrew Grant, Town Manager

**Action Requested:**

Tonight's meeting can be accessed at this link [Zoom Meeting](#)

**Manager's Recommendation:**

**ATTACHMENTS:**

Name:	Description:	Type:
No Attachments Available		

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## REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: June 18, 2020

To: Mayor and Board of Commissioners

From: Andrew Grant, Town Manager

### Action Requested:

The Board will hear public comment at this time **by email only**. Please email your comments to [TownofCornelius@cornelius.org](mailto:TownofCornelius@cornelius.org). Please include your name and address. Your comments will be read into the record upon receipt.

- Comments submitted anonymously will not be read into the record.
- Comments are limited to three minutes per comment.
- Comments are to be directed to the entire board as a whole and not individuals.
- Comments are expected to be civil and within reasonable standards of courtesy.
- Comments that include vulgarity, slander, name calling, personal attacks or threats will not be read into the record.
- Any information displayed by request must be submitted to [wherron@cornelius.org](mailto:wherron@cornelius.org) prior to the meeting.
- All comments will be maintained as a public record and included in the minutes of the meeting.

### Manager's Recommendation:

#### ATTACHMENTS:

Name:	Description:	Type:
No Attachments Available		

## REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: June 18, 2020

To: Mayor and Board of Commissioners

From: Wayne Herron  
Deputy Manager

**Action Requested:**

Proclamation for the retirement of Georgia Krueger from the Ada Jenkins Center to celebrate her 12 years of service to our community.

**Manager's Recommendation:**

Proclamation by Mayor Washam.

**ATTACHMENTS:**

Name:	Description:	Type:
 <a href="#">Georgia_Krueger_Retirement1.doc</a>	Proclamation of Recognition	Backup Material

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***Mayoral Proclamation  
Recognizing  
Georgia Krueger's Retirement***

**WHEREAS**, we are here today to express special recognition to Georgia Krueger and to honor her for her distinguished twelve years of service with the Ada Jenkins Center(AJC) as Executive Director; and

**WHEREAS**, Georgia has been a dynamic leader well-known for her commitment to community service, compassionate leadership and integrity; and

**WHEREAS**, Georgia has shown a deep love for AJC and its mission of helping those in need to achieve economic stability not only in Cornelius but all of north Mecklenburg County; and

**WHEREAS**, Georgia has noted that AJC is an important thread to the fabric of our community and we want to recognize the contribution she has made to creating that quilt for the Lake Norman area and building and cultivating partners, volunteers and staff that will serve Cornelius for generations to come; and

**WHEREAS**, Georgia has led the AJC Board to create the right strategic direction with supporters to sustain the mission and service to our community.

**NOW, THEREFORE**, I, Woody Washam, Jr., Mayor of the Town of Cornelius, do hereby proclaim appreciation, on behalf of the entire Town Board. I want to express my sincere gratitude to Georgia for her dedication to the Ada Jenkins Center and wish her much happiness in retirement as she begins this exciting new chapter in her life.

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Woody Washam, Jr., Mayor

**IN WITNESS WHEREOF**, I do hereby set my hand and cause the Seal of the Town to be affixed, this the 18th day of June, 2020.

## REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: June 18, 2020

To: Mayor and Board of Commissioners

From: Andrew Grant, Town Manager



**Action Requested:**

Town Board and staff may conduct discussions regarding the FY2021 budget. The Public Hearing was closed on June 18, 2020 but written comments were allowed to be submitted until 5pm, June 17th. Any written comments received will be provided to the Board. The Town Board may choose to adopt the FY 2021 budget and tax rate. The budget must be adopted prior to July 1, 2020.

**Manager's Recommendation:**

Hold discussions on the recommended FY 2021 budget and consider adoption of the ordinance for FY 2021 budget and tax rate.

**ATTACHMENTS:**

Name:	Description:	Type:
 <a href="#">Budget_presentation_FY_2021-June_18_2020.pdf</a>	FY21 Recommended Budget	Presentation
 <a href="#">FY21_Original_Budget_Ordinance.pdf</a>	FY21 Budget & Tax Rate	Ordinance



**Town of Cornelius**  
**FY 21**  
**(July 1, 2020 – June 30, 2021)**

**Manager's Recommended Budget**

*June 1, 2020*

# **CMP Vision Statement**

Cornelius is a vibrant and inclusive small community on Lake Norman dedicated to promoting the highest quality of life for all residents.

## **Organizational Mission:**

The Cornelius Way: Going above and beyond to serve our community with excellence.



# General Fund

- ❖ Property Tax is the largest component of Town revenue (~\$16.2M; 62% of revenues)
- ❖ Cornelius assessed value projected for FY 21 is \$7.53 billion which is an increase of 2.41%
- ❖ Sales tax is the 2<sup>nd</sup> largest revenue component (~\$3.1M; 13% of revenues)
- ❖ No property tax increase proposed for FY21.
- ❖ Projecting \$1.78M drop in revenues due to COVID-19. Most revenues will be impacted. (Property tax, Sales tax, Tourism, Powell Bill, etc.)
- ❖ Projecting \$299K contribution to Fund Balance.

# Expenditures

## ❖ Personnel

- ❖ Reduced personnel expenditures to offset COVID-19 revenue loss (\$88K)
- ❖ No increase for Health Insurance (18 months) (\$0)
- ❖ Merit pool at average 3% (\$213K) to remain competitive with our market.
- ❖ Full-Time Town Firefighters ½ year (2 positions, 6 FTEs) as per CPSM & Town Manager recommendation. (\$187K)
- ❖ HR Director ½ yr. (\$53K)
- ❖ PARC PMT ½ year (~net zero cost)
- ❖ Part-Time Animal Control Officer (\$17K) as per CPSM & Town Manager recommendation.
- ❖ State Retirement System mandated increase (\$139K)
- ❖ Police Officers Residency Incentive (year 1 of 4) (\$12K)
- ❖ Delaying implementation of some personnel items until revenues are evaluated. (\$303K)

# Expenditures

## ❖ Operating

- ❖ Reduced operating expenditures to offset COVID-19 revenue loss (\$301K)
- ❖ Some of these expenditures will be re-evaluated if revenues come in better than projected.
- ❖ No increase for garbage services after bidding the contract (\$0)
- ❖ No increase for Property & Liability and Workers Comp. insurance after bidding (\$0)

# Expenditures

## ❖ Operating

- ❖ PD 12 body cameras and cloud storage (\$17K)
- ❖ PD crash software, CAD maintenance, and fiber line connection to radio tower (\$15,660)
- ❖ CLFR overtime and staffing gaps (\$33,600)
- ❖ Utility increases/water PARC ball fields (\$10,650)
- ❖ Town Hall/Public Safety/Public Works Building Maint. Reserve Fund (\$10K 1/6 funding)
- ❖ Camera/computer legacy programs moved from capital to operating (\$88K)
- ❖ Streetlights (\$4K)
- ❖ North Corridor TOD match (\$6K) (one time)
- ❖ Delaying implementation and purchase of some operational expenditures until revenues are evaluated. (\$80K)

# Capital Funded in FY 21

## Capital (Fund Balance)

- ❖ Reduced capital expenditures to offset COVID-19 revenue loss (\$797K)
- ❖ Police Vehicles (\$633K FY 21 plus carry forward for FY 20)
- ❖ Fire Boat Repair (\$95K carry forward for FY20)
- ❖ Old Canal (\$800K, Powell Bill Fund)
- ❖ Willow Pond Stream Restoration (\$300K)
- ❖ Public Works Leaf Machine (\$60K)
- ❖ Legion Park Design for Drainage Project (\$50K)
- ❖ Fire Station #2 Window Replacement (\$40K TH/PS/PW Building Maint. Reserve Fund)
- ❖ Police Air Handling Units (\$90K TH/PS/PW Building Maint. Reserve Fund)
- ❖ Transportation Capital Reserve Fund (\$1.1M)
- ❖ Delaying implementation and purchase of some capital items until revenues are evaluated. (\$50K)

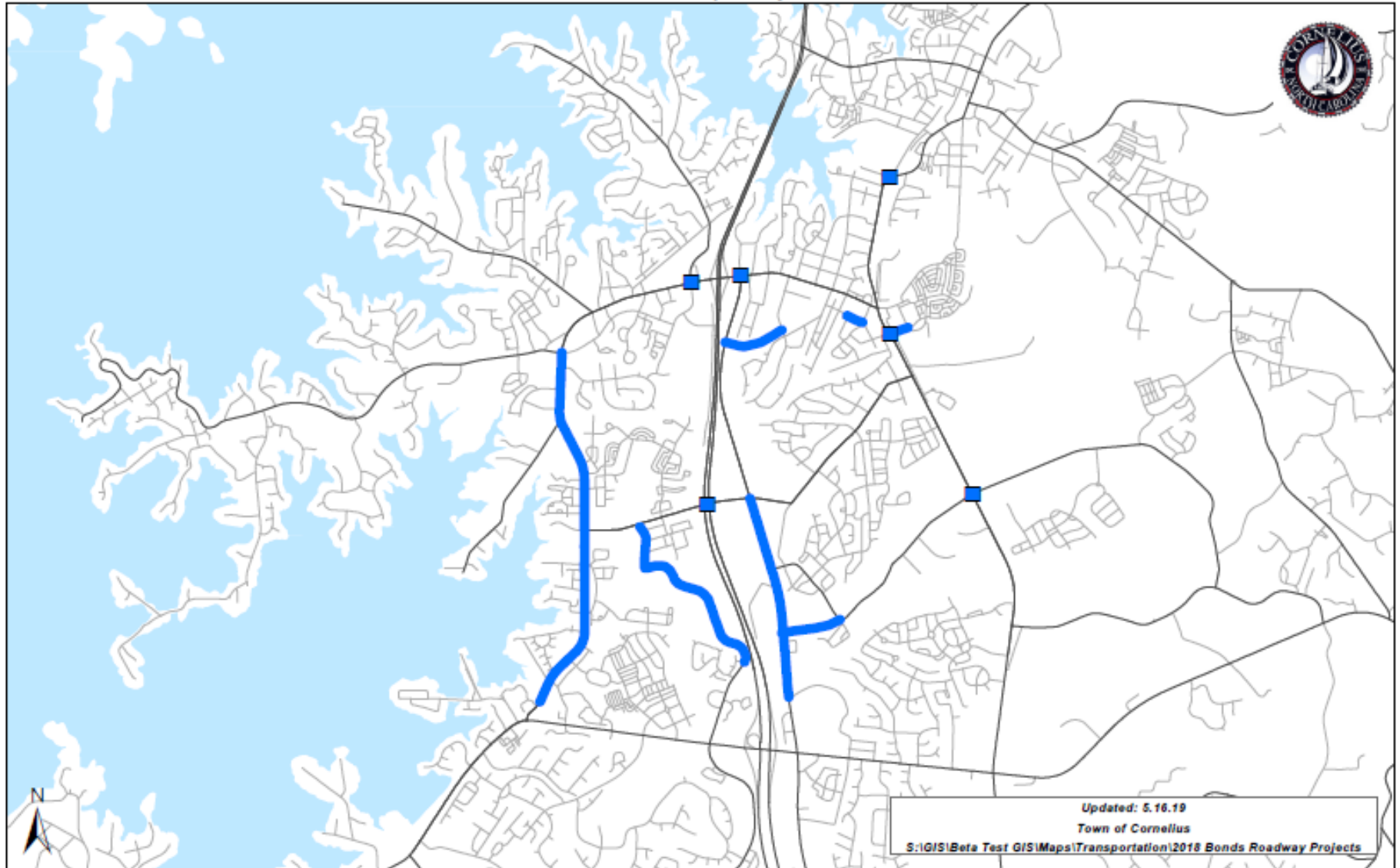
# Capital Funded in FY 21

## Capital (Debt)

- ❖ \$750,000 Fire Engine
- ❖ \$720,000 Bailey Road Park Ballfield Lighting
- ❖ Delaying implementation of these items until revenues can be evaluated. (\$145K)

# All Roadway Projects

All Roadway Projects



# CIP NCDOT Road Projects

DEPT	DESCRIPTION	Funds Source	2022	2023	2026	2027	Total
PW	2013 Road Bond Project Estimated Cost Increases	Bonds	5,500,000	-	-	-	5,500,000
PW	Westmoreland Interchange- Town Contribution	Bonds	2,000,000	-	-	-	2,000,000
PW	Hwy 115- Hickory St. Intersection Improvements	Bonds	1,040,782	-	-	-	1,040,782
PW	West Catawba Phase II- STI- Local Funding Contribution	Bonds	-	1,200,000	-	-	1,200,000
PW	West Catawba Phase II- Bike-Ped Accommodations, Street Lights and Mast Arms	Bonds	-	-	-	5,833,800	5,833,800
PW	Hwy 21 Widening (A)	Bonds	-	-	1,700,000	-	1,700,000
PW	Hwy 21 Dual Roundabouts- Local Match and Betterments (BA)	Bonds	-	-	-	-	-
PW	Hwy 115-Potts St.-Davidson St. Intersection Improvement Project and Betterments (BA)	Bonds	-	-	-	-	-
PW	Northcross Dr. Extension-Local Match and Roundabout and Betterments (BA)	Bonds	-	-	-	-	-
PW	Torrence Chapel Rd. West Cat. Ave. Intersection Impv- Local Match and Betterments (BA)	Bonds	-	-	-	-	-
			8,540,782	1,200,000	1,700,000	5,833,800	17,274,582



# Remaining CIP

DEPT	DESCRIPTION	Funds Source	2021	2022	2023	2024	2025	Future	Total
PW	Old Canal Stabilization and South St. Bridge Erosion Control (Powell Bill Funds)	FB Powell	800,000	-	-	-	-	-	800,000
Fire	Replace Engine 3, 4, and 5	Debt	750,000	-	750,000	-	-	-	1,500,000
PARC	Bailey Road Park Athletic Facility Lighting Replacement	Debt	720,000	810,000	-	-	90,000	-	1,620,000
PD	Police Vehicles	Fund Bal	633,000	550,000	500,000	505,000	510,000	-	2,698,000
PW	Stream Restoration- Willow Pond + Upstream & Downstream	Fund Bal	300,000	200,000	-	-	-	-	500,000
Fire	Fireboat Repair	Fund Bal	95,000	-	-	-	-	-	95,000
PD	Police air handling units *	Fund Bal*	90,000	-	-	-	-	-	90,000
PW	Public Works Equipment	Fund Bal	60,000	65,000	-	-	-	-	125,000
PARC	Legion Park Major Renovations	Fund Bal	50,000	475,000	-	200,000	-	-	725,000
Fire	Fire Staion #2 Window Replacement*	Fund Bal*	40,000	-	-	-	-	-	40,000
PARC	Community Art Center	Bonds	-	4,000,000	-	-	-	-	4,000,000
PW	Jetton Extension	Debt	-	2,100,000	-	-	-	-	2,100,000
PARC	Smithville JV Washam Elementary Linear Park	Debt	-	1,000,000	1,000,000	500,000	-	3,200,000	5,700,000
PARC	Bailey Road Park Tennis & Pickleball Complex	Debt	-	1,000,000	-	-	-	-	1,000,000
PW	Gem Street Extension Surface Parking Cost	Fund Bal	-	400,000	-	-	-	-	400,000
PARC	Torrence Chapel Park Major Renovations	Fund Bal	-	350,000	-	-	-	550,000	900,000
PARC	Bailey Road Park Major Renovations	Fund Bal	-	250,000	-	250,000	710,000	900,000	2,110,000
PW	Sidewalk (Powell Bill Funds)	FB Powell	-	200,000	-	200,000	-	-	400,000
PW	DDI Landscaping	Fund Bal	-	200,000	-	-	-	-	200,000
PARC	Field Maintenance Equipment	Fund Bal	-	159,700	-	-	-	-	159,700
PW	Street Resurfacing (Powell Bill Funds)	FB Powell	-	-	800,000	-	800,000	-	1,600,000
Fire	Training Center Land	Fund Bal	-	-	500,000	-	-	-	500,000
PARC	Robbins Park Development	Debt	-	-	200,000	-	2,450,000	2,300,000	4,950,000
PW	Town Hall cooling tower replacement*	Fund Bal*	-	-	150,000	-	-	-	150,000
PD	Police Roof*	Fund Bal*	-	-	125,000	-	-	-	125,000
PW	Festival Street- Catawba Avenue	Debt	-	-	-	2,750,000	-	-	2,750,000
PARC	Smithville Multi-Purpose Synthetic Turf Field	Debt	-	-	-	900,000	-	-	900,000
PARC	Smithville Park Major Renovations	Fund Bal	-	-	-	190,000	-	-	190,000
PARC	Jetton Park Major Renovations	Fund Bal	-	-	-	-	650,000	-	650,000
PARC	Caldwell Station Creek South Greenway Phase II	Debt	-	-	-	-	315,000	1,900,000	2,215,000
PARC	Mini Park	Debt	-	-	-	-	315,000	1,305,000	1,620,000
Fire	Fire Staion #2 Roof*	Fund Bal*	-	-	-	-	195,000	-	195,000
PARC	Plum Creek- South Bailey Rady Greenway Construction Phase II	Fund Bal	-	-	-	-	140,000	-	140,000
PARC	Southeast Cornelius Neighborhood Park	Debt	-	-	-	-	-	5,050,000	5,050,000
PARC	Bailey Road North Neighborhood Park	Debt	-	-	-	-	-	4,475,000	4,475,000
Fire	Fire Station #3	Debt	-	-	-	-	-	4,000,000	4,000,000
PARC	Village Center Neighborhood Park	Debt	-	-	-	-	-	3,200,000	3,200,000
PARC	Westmoreland McDowell Creek Park	Debt	-	-	-	-	-	3,200,000	3,200,000
PW	Hwy 115- North Corridor (Washam Potts to Potts St) Bike-Ped Accommodations, Aesthetics	Debt	-	-	-	-	-	3,150,000	3,150,000
PARC	North Bailey Road Greenway	Debt	-	-	-	-	-	2,730,000	2,730,000
PARC	Plum Creek- South Bailey Rady Greenway Construction Phase III	Debt	-	-	-	-	-	2,700,000	2,700,000
PARC	Waterfront Park	Debt	-	-	-	-	-	2,620,000	2,620,000
PARC	Victoria Bay Greenway	Debt	-	-	-	-	-	2,520,000	2,520,000
PARC	Downtown Cornelius to Statesville Road Greenway	Debt	-	-	-	-	-	2,270,000	2,270,000
PARC	Washam-Eco Park	Debt	-	-	-	-	-	1,500,000	1,500,000
PARC	Westmoreland Park Greenway	Debt	-	-	-	-	-	1,350,000	1,350,000
PARC	North Bailey Road to Bailey Road Greenway	Debt	-	-	-	-	-	1,100,000	1,100,000
PW	Hwy 73 West- Bike-Ped Accommodations	Fund Bal	-	-	-	-	-	1,100,000	1,100,000
PW	I-77 Service Road to Westmoreland	Debt	-	-	-	-	-	1,088,062	1,088,062
PW	Caldwell Station to Bailey Extension	Debt	-	-	-	-	-	1,000,000	1,000,000
Fire	Replace Ladder Truck 4	Debt	-	-	-	-	-	1,000,000	1,000,000
PARC	Stratford Forest Greenway	Fund Bal	-	-	-	-	-	760,000	760,000
PARC	Glen Oak Green Park Greenway	Fund Bal	-	-	-	-	-	600,000	600,000
PARC	Nantz Rd Connector Greenway	Fund Bal	-	-	-	-	-	575,000	575,000
PARC	Spray Park	Fund Bal	-	-	-	-	-	525,000	525,000
PW	Westmoreland Road Widening	Fund Bal	-	-	-	-	-	525,000	525,000
PW	Stream Restoration- Upper McDowell Creek	Fund Bal	-	-	-	-	-	300,000	300,000
PD	Police Substation	Fund Bal	-	-	-	-	-	300,000	300,000
			3,538,000	11,759,700	4,025,000	5,495,000	6,175,000	57,793,062	88,785,762

# Debt

- ❖ Town has sold \$16.4M of \$20.4M 2013 Transportation/Parks/Town Center Redevelopment Bonds (approximately \$1.4M annual bonded debt service)
- ❖ In FY 22, Town plans to sell \$10.6M of \$24M 2018 Transportation Bonds (approximate annual bonded debt service roughly \$1M)
- ❖ In FY 22, Town plans to sell \$4M Town Center Redevelopment Bonds (approximate annual bonded debt service of \$333K)
- ❖ Town's average annual non-bonded debt financed is \$1.4M
- ❖ In FY 23, the Debt Service to Annual Expenditure Ratio could reach 16% due to the issuance of \$32M in Bonds plus non-bonded principal.
- ❖ NCDOT Road project delays and additional funding achieved by Town Staff have improved our short-term financial condition.
- ❖ However, oncoming debt still is the dominant factor of Town's finances.
- ❖ Additional Revenue will be needed before FY24 to maintain AAA-rating and before FY29 to prevent a violation of our Fund Balance Policy.

	FY 2019 Actual	FY 2020	FY 2020 EYE	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Beginning Fund Balance	19,273,176	19,542,188	21,699,109	25,456,517	25,755,976	26,001,592	25,132,736	23,768,880
Revenues:	3,744,677	17,389						
Property tax	14,093,129	15,732,608	16,164,000	16,258,038	17,072,328	17,324,311	17,323,082	17,578,826
Sales tax	3,983,699	3,841,700	3,841,700	3,168,019	3,263,060	3,360,951	3,461,780	3,565,633
Franchise tax	1,887,891	1,905,280	1,900,000	1,694,776	1,742,230	1,791,012	1,841,161	1,892,713
Powell Bill allocation	771,445	777,231	778,252	583,252	583,252	583,252	583,252	583,252
All others	2,789,454	3,346,693	3,737,124	2,906,431	2,950,027	2,994,278	3,039,192	3,084,780
Total Revenues	23,525,618	25,603,512	26,421,076	24,610,516	25,610,897	26,053,804	26,248,466	26,705,204
Expenditures:								
Personnel	7,753,882	9,086,784	8,737,933	9,403,102	10,120,273	10,676,888	11,210,732	11,771,269
Operating	8,341,575	8,851,612	9,018,001	8,821,928	9,174,805	9,541,797	9,923,469	10,320,408
TH/PS/PW/Bldg Maint. Rsv Fund	-	-	-	30,000	-	-	-	-
Cain Center (land, operating)	365,000	323,000	323,000	300,000	309,000	318,270	327,818	337,653
Existing Debt service	2,402,706	3,052,063	2,625,107	2,473,510	2,317,543	2,206,409	2,113,581	1,764,691
Powell Bill/Stormwater Capital	766,235	871,500	281,000	1,050,000	400,000	800,000	200,000	800,000
Other Capital	312,178	1,892,874	1,708,627	2,117,967	2,249,700	1,275,000	1,145,000	2,205,000
New debt svc	-	-	-	144,550	793,960	2,104,296	2,691,722	3,044,355
Transfers	1,229,722	-	-	-	-	-	-	-
Use of Cap Reserve	(71,613)	(30,000)	(30,000)	(30,000)	-	-	-	-
Total Expenditures	21,099,685	24,047,833	22,663,668	24,311,057	25,365,280	26,922,660	27,612,322	30,243,375
Net	2,425,933	1,555,679	3,757,408	299,459	245,616	(868,856)	(1,363,856)	(3,538,171)
Ending Fund Bal	21,699,109	21,097,867	25,456,517	25,755,976	26,001,592	25,132,736	23,768,880	20,230,710
Capital Reserve	-	-	-	-	-	-	-	-
Total Fund Balance	21,699,109	21,097,867	25,456,517	25,755,976	26,001,592	25,132,736	23,768,880	20,230,710
Available Fund Balance	19,808,064	19,097,867	22,762,693	23,062,152	23,307,768	22,438,912	21,075,056	17,536,886
End Bal as % of Exps Total	103%	88%	112%	106%	103%	93%	86%	67%
End Bal as % of Exps Available	94%	79%	100%	95%	92%	83%	76%	58%
Tax Assumptions:								
Value	5,499,814,530	5,552,131,900	5,552,131,900	7,353,051,835	7,530,530,059	7,643,488,010	7,758,140,330	8,689,117,170
% increase growth	0.951%	0.00%	2.74%	2.41%	1.5%	1.5%	0.0%	1.5%
% Change reval	0%	28.9%	28.9%	0%	0%	0%	12%	0%
New Value	5,552,131,900	7,156,768,213	7,353,051,835	7,530,530,059	7,643,488,010	7,758,140,330	8,689,117,170	8,819,453,927
Collection rate	99.0%	99.0%	99.0%	97.25%	99.0%	99.0%	99.0%	99.0%
Rate	0.255	0.2220	0.2220	0.2220	0.2220	0.2220	0.1982	0.1982
Tax produced	14,016,357	15,732,608	16,164,000	16,258,038	16,798,858	17,050,841	17,049,612	17,305,356
Revenue assumptions:								
Sales tax					3.0%	3.0%	3.0%	3.0%
Franchise tax					2.8%	2.8%	2.8%	2.8%
Powell Bill					0.0%	0.0%	0.0%	0.0%
Other					1.5%	1.5%	1.5%	1.5%
Expense assumptions:								
Personnel					5.50%	5.50%	5.00%	5.00%
Operating					4.00%	4.00%	4.00%	4.00%
Debt issuance variable:								
Beginning Debt Outstanding	11,439,504	11,360,602	11,302,036	9,137,202	8,541,848	23,137,008	24,493,894	26,887,660
Principal retired	(1,944,800)	(2,112,280)	(2,164,834)	(2,065,354)	(1,855,622)	(1,793,114)	(1,756,234)	(1,455,361)
Principal issued	1,807,332	23,308,292	-	1,470,000	16,450,782	3,150,000	4,150,000	3,170,000
Ending Debt Outstanding	11,302,036	32,556,614	9,137,202	8,541,848	23,137,008	24,493,894	26,887,660	28,602,299

# FY 21 Budget - Summary

- ❖ Recommended Tax Rate: 22.20 cents
- ❖ No change in tax rate from FY 20
- ❖ Total General Fund Budget: \$24,341,057 (net of reconciling items such as debt to be issued)
- ❖ Fund Balance Contribution \$299,459

# Budget Reductions

- ❖ \$1.2M reductions to help offset COVID revenue impacts.
- ❖ Including, but not limited to:
  - ❖ Merit (reduced from 4 to 3%)
  - ❖ Police vehicles (purchasing/equipping fewer vehicles)
  - ❖ Non-critical Park maintenance and landscaping
  - ❖ Beverly Greenway paving
  - ❖ BRP Tennis Complex/ Land Banking
  - ❖ DDI Landscaping
  - ❖ Town-maintained roads resurfacing
- ❖ Will reassess some reductions if revenues are better than anticipated.

# Budget Delays

- ❖ \$595K in budgeted, but delayed items.
- ❖ Including, but not limited to:
  - ❖ BRP Lighting System (December 1)
  - ❖ 6 Firefighters (February 1)
  - ❖ 2 Police Officer vacancies- Hiring Freeze (February 1)
  - ❖ Computer Replacement (February 1)
  - ❖ Fire Engine (February 1)
  - ❖ Legion Park stormwater repair design (February 1)

# Planning for COVID

- ❖ Planned appropriately
  - ❖ Conservative Revenue projections (\$1.78M impact to revenues)
  - ❖ Budget Reductions (\$1.2M)
  - ❖ Contribution to Fund Balance (\$299K)
  - ❖ Delayed Expenditures (\$595K)
- ❖ Budget Reductions will have relatively minor impacts to service in the short term, but some will be more costly in the future if not put back into budget.
- ❖ Significant impacts to services if the delayed expenditures are not implemented.

# Electric Fund

- ❖ 2019 System Study identified major capital and maintenance needs to provide reliable service to current and future customers.
  - ❖ Infrastructure maintenance- pole replacements, substation maint., system evaluation and repairs
  - ❖ Construct new substation- redundancy, reliability, growth
- ❖ 2020 Cost of Service Study recommended appropriate rate and charges structure
  - ❖ Beginning in FY22 (July 1, 2021), phase in approx. 4.4% rate increase each year for 5 years.
- ❖ FY21
  - ❖ Land purchase for new substation
  - ❖ Maintenance items
- ❖ Cornelius electric customers will not have a rate increase in FY21 (NC Statute will require a residential 5 cent per month increase to the REPS rider for renewable energy)
- ❖ Cornelius Electric Fund will receive an ElectriCites statewide system working capital refund of \$1,107,000 to increase the Electric General Fund to \$3.8M



# Electric Fund

## Town of Cornelius Electric Fund

Change in Wholesale Rate

		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Growth Factor	2019 Actual	2020 Budget	2020 EYE	2021 Budget	2022 Projection	2023 Projection	2024 Projection	2025 Projection
Expenditures									
Personnel	5.0%	509,906	600,267	600,267	777,900	816,795	857,635	900,516	945,542
Operating	2.0%	888,909	1,052,058	1,052,058	1,079,400	1,100,988	1,123,007	1,145,468	1,168,377
Electrical Power Purchases	3.0%	4,524,182	4,635,626	4,635,626	4,625,962	4,669,109	4,727,282	4,882,180	5,037,379
Capital		383,221	414,408	300,000	1,041,500	1,901,000	1,828,000	765,000	707,000
Annual debt svc pmt		25,727	26,428	26,428	41,028	30,000	30,000	30,000	30,000
<b>Total expenditures</b>		<b>6,331,946</b>	<b>6,728,787</b>	<b>6,614,379</b>	<b>7,565,790</b>	<b>8,517,892</b>	<b>8,565,925</b>	<b>7,723,164</b>	<b>7,888,299</b>
<b>Recommended rate increase</b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>4.42%</b>	<b>4.44%</b>	<b>4.45%</b>	<b>4.47%</b>
Revenues									
Electricity sales	3.0%	6,126,725	6,640,359	6,353,571	6,391,380	7,076,041	7,559,343	8,073,648	8,611,931
Other operating revenue		205,723	62,000	348,788	299,000	307,970	317,209	326,725	336,527
Nonoperating revenue		-	742,000	742,000	1,107,000	-	-	-	-
<b>Total revenue</b>		<b>6,332,449</b>	<b>7,444,359</b>	<b>7,444,359</b>	<b>7,797,380</b>	<b>7,384,011</b>	<b>7,876,553</b>	<b>8,400,373</b>	<b>8,948,459</b>
Revenues vs expenditures		502	715,572	829,980	231,590	(1,133,881)	(689,372)	677,209	1,060,160

# Calendar

- ❖ Budget Document – Available on Town Website: [www.cornelius.org](http://www.cornelius.org). Pushed out on social media.
- ❖ Public Hearing – June 1, 2020 and June 15, 2020
- ❖ Adopt Budget & Set Tax Rate – Special Meeting Date – June 18, 2020.

# PUBLIC HEARING

**TOWN OF CORNELIUS**

**AN ORDINANCE ESTABLISHING  
THE OPERATING BUDGET FOR  
FISCAL YEAR 2020-2021**

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF  
COMMISSIONERS OF THE TOWN OF CORNELIUS:**

**SECTION 1.** The following amounts are hereby authorized for all appropriations, expenditures and inter-fund transfers necessary for the administration and operation of the Town of Cornelius for the fiscal year beginning July 1, 2020 and ending June 30, 2021 in accordance with the following schedule of accounts heretofore established for this Town:

**Original  
Budget**

SCHEDULE A: GENERAL FUND

**General Fund Revenues**

Ad Valorem Taxes	\$ 16,596,119
Local Option Sales Tax	3,168,019
Utility Franchise Tax	1,694,776
Powell Bill Allocation	583,252
Other Taxes and Licenses	328,326
Unrestricted Intergovernmental	1,152,255
Restricted Intergovernmental	746,220
Permits and Fees	809,700
Sales and Services	120,000
Investment earnings	93,600
Donations	20,000
Micellaneous	20,000
Debt Issued	1,470,000
Appropriated Fund Balance	(269,459)
<b>Total General Fund Revenues</b>	<b><u>\$26,532,808</u></b>

**General Fund Expenditures**

Governing Board	\$ 82,128
General Government	1,804,115
General Services	330,506
Police	7,487,615
Communications	749,254
Fire Operations	2,782,095
Animal Control	216,180
Public Works	1,206,269
Powell Bill	1,018,000
Solid Waste/Recycling	2,099,390
Stormwater	540,000
Planning / Land Development	630,185
Tourism	460,640
Art Center	592,998
Parks, Arts, Recreation, and Culture	2,815,406
Transfer to Capital Project Funds/ 911 Fund	1,099,967
Debt Service	2,618,060
<b>Total General Fund Expenditures</b>	<b><u>\$26,532,808</u></b>

**Original  
Budget**

SCHEDULE B: ELECTRIC FUND

**Electric Fund Revenues**

Sales and Services	\$ 7,787,380
Fund Balance	(231,590)
Miscellaneous	10,000
<b>Total Electric Fund Revenues</b>	<b><u>\$ 7,565,790</u></b>

**Electric Fund Expenditures**

Electric Department	\$7,565,790
<b>Total Electric Fund Expenditures</b>	<b><u>\$ 7,565,790</u></b>

SCHEDULE C: 911 FUND

**911 Fund Revenues:**

911 Fee Revenue	\$135,042
Fund Interest Earnings	\$1,790
911 Appropriated Fund Balance	\$0
<b>Total 911 Fund Revenues</b>	<b><u>\$ 136,832</u></b>

**911 Fund Expenditures:**

911 Department	\$136,832
<b>Total 911 Fund Expenditures</b>	<b><u>\$ 136,832</u></b>

**SECTION 2.** An ad valorem tax rate of \$.222 per \$100 of assessed valuation is hereby established as the official tax rate for the Town of Cornelius for the fiscal year 2020-21. This rate is based on an estimated valuation of \$7,530,530,059 and an estimated 97.25% percent collection rate, which is at least the collection rate expected during the 2019-20 fiscal year.

**SECTION 3.** In accordance with G.S. §159-9 and G.S. §159-15, the Town Manager shall serve as the budget officer and is hereby authorized to reallocate appropriations among the objects of expenditure under the following conditions:

- a. The Town Manager may transfer amounts between line-item expenditures even among departments as believed to be necessary and prudent.
- b. He may not transfer any amounts between funds, except as approved by the Board of Commissioners in the Budget Ordinance as amended.

Adopted this the 15<sup>th</sup> day of June, 2020.

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Woody T. Washam Jr., Mayor

SEAL

ATTEST:

APPROVED AS TO FORM:

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Lori A. Harrell, Town Clerk

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Karen Wolter, Town Attorney