

**Lewisville Town Council**  
**Regular Meeting Minutes**  
**June 11, 2015 - 7:30 p.m.**  
**Town Hall - 6510 Shallowford Road - Room 110**

**I. Call to Order**

- A. Mayor Pugh called the meeting to order at 7:30 p.m. Council Members present were Robert Greene, Mike Horn, Sandra Mock, Ken Sadler and Ed Smith. Council Member Jeff Zenger was out of town. Also present were Town Manager Hank Perkins, Assistant Town Manager/Finance Director Kathy Bruce, Attorney Bo Houff, Planner Marty Myers, and Public Works Director George Hauser.
- B. Invocation was led by Mayor Dan Pugh and the Pledge of Allegiance by Council Member Ken Sadler.
- C. Adoption of Agenda
  - 1. Council Member Mock moved to approve the agenda. The motion was seconded by Council Member Smith and approved unanimously.

**II. Consent Agenda**

- A. Consent Agenda Items for Action:
  - 1. [Resolution 2015037](#) - Acceptance and Approval of Monthly [Financials for April 2015](#)
  - 2. Approval of Council Briefing and Action [Minutes - May 7, 2015](#)
  - 3. Approval of Council Meeting [Minutes - May 14, 2015](#)
  - 4. Approval of Council Closed Session [Minutes - May 14, 2015](#)
  - 5. Approval of Council Budget Meeting Minutes - [May 19, 2015](#)
  - 6. [Ordinance 2014060 AMENDED](#) - L-075 rezoning for the Estates at Lissara correcting the metes and bounds, zoning classifications and [site plan](#)
  - 7. [Ordinance 2015046](#) - Ordinance to collect 2015 taxes by the Forsyth County Tax Collector
  - 8. [Ordinance 2015047](#) - Order to collect 2006 thru 2014 prior years' taxes
  - 9. [Ordinance 2015051](#) - updating the Unified Development Ordinances loose leaf binder
- B. Council Member Smith moved to approve the Consent Agenda. The motion was seconded by Council Member Greene and approved unanimously. Resolution 2015037, Ordinance 2014060 Amended and site plan Amended, Ordinance 2015046, Ordinance 2015047, and Ordinance 2015051 are herein incorporated by reference into the minutes.

**III. Introductions, Presentations and/or Proclamations**

- A. **Introductions, Presentations and/or Proclamations**
  - 1. Presentations
    - a. Student Leadership Recognitions
      - (1) Mayor Pugh and Student Leadership sponsor Kathy Bruce presented certificates of achievement to students who had completed the requirements of the program: Abby Hill, Chase Hill, Mandy Hill, Madeline Johnson, Ean McCool, Ema McCool, Rebecca Gillen, Allie, Ethan and Zoya Thompson.

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2. Update on the progress of the Nissen House
  - a. Lewisville Historical Society member Mary Gaines provided an update on the society's accomplishments with the Nissen House to-date. She also thanked Council for their support of the project. She advised Council that the society will be entering into a dollar for dollar \$12,500 challenge grant that will be used to complete the north and south sides of the building. There will also be a summer fund raiser partnering with Lowes Foods.

**IV. Public Forum**

- A. Mayor Pugh opened the Public Forum at 8:01 p.m.
- B. Having no speakers, the Public Forum was closed at 8:02 p.m.

**V. New Business**

- A. [Ordinance 2015050](#) - amending Budget Ordinance 2014027 to increase year end accounts for possible overages
  1. Council Member Horn moved to approve Ordinance 2015050. The motion was seconded by Council Member Smith and approved unanimously. Ordinance 2015050 is herein incorporated by reference into the minutes.

**VI. Public Hearings**

- A. Public Hearing to hear comments on FY 2015-2016 Budget
  1. Staff Presentation -
    - a. The Amended Budget Message was read by Town Manager Perkins and follows:

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Honorable Council:

**Budget Message for Budget as Adopted**

**Executive Summary**

As Town Manager, I am pleased to present the proposed General Fund budget of \$4,068,920.00 for fiscal year 2015-2016. The budget as proposed includes maintaining the current tax rate of 17.7 cents per \$100 of valuation. This budget shows an increase in the General Fund from the previous year budget, as adopted for July 1st, 2014, of \$123,290 or 3.12%. This budget as proposed is balanced with \$49,840.00 in fund balance from the General Fund. The Town intends to make one additional principal payment of \$93,340.00 against the town's long term debt for the construction of the Town Hall which is not a recurring operational cost. The fund balance appropriation was included in order to make this possible. This will be the second year in a row that the Town will have made such an extra payment against this debt. This extra payment should save the Town approximately \$17,000.00 in interest.

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The tax base for the Town, as of March 12, 2015 was \$1,213,542,004.00 producing an estimated Ad Valorem tax revenue of \$2,083,530.00 with one cent on the tax rate equaling \$117,714.00.

The Town of Lewisville also collects a levy for a municipal service district, the proposed tax rate for this district for fiscal year 2015-2016 is 4.5 cents per \$100 of valuation. This tax is recommended to be lowered by a half cent over the current tax rate of 5 cents per \$100 of valuation.

Once again, in the face of a challenging economic environment, the Town Council has been diligent and used sound financial planning to continue its commitment to the citizens of Lewisville to provide the highest standard of services. They have done this while maintaining a level of fund balance to secure future funding opportunities. The unrestricted fund balance was \$4,537,398.00 as of June 30, 2014. This represents a fund balance at approximately 111.51% based on the projected upcoming fiscal year budget for 2015-2016.

Last year, the General Assembly passed legislation, HB 998, that drastically changed tax structure in North Carolina for both income tax and sales taxes. The bill made reductions in the overall personal income tax revenues to be paid by North Carolinians. These reductions were to be offset by increasing income through sales taxes. For the most part, sales tax rates were not affected. But changes to sales taxes collected on electricity and natural gas, along with an increase in the overall number of items for which North Carolinians are subject to pay sales taxes, yielded projected increases in local government revenues. At least in Lewisville's case, the Town has seen increases in sales tax revenues in the current year over the previous fiscal year. And sales taxes are projected to rise again for Fiscal Year 2015-2016. Piped natural gas is the only tax where the anticipated increases were not realized. In fact, revenues are down in the current year and are not anticipated to grow in the immediate future. These increases in sales tax are probably due to a combination of the affect of HB 998 and an overall improvement in the local economy.

### **Town Services**

The Town of Lewisville stays committed to the continuation of all of its existing services for the upcoming fiscal year to include, parks and recreation, financial administration, administration, planning and zoning, public works, residential garbage and recycling, storm water management and community policing, and beautification. All services are proposed to continue at current service delivery levels for the upcoming fiscal year.

### **Utilities**

At the beginning of the fiscal year in July of 2014, the Town of Lewisville signed its first services agreement with City-County Utilities of Winston-Salem and Forsyth County. Since the incorporation of the Town in 1991, the Town had not had such an agreement with CCUC. Up until July of 2014, Lewisville and its citizens had been treated as though they were still in unincorporated areas of the County.

The agreement brought the Town the ability to participate in the overall growth of the water and sewer utility

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system in the Town. More importantly, it created a "vehicle" for the Town to expand its public sewer system in the future to areas of the Town that currently have no sewer system. As a part of the arrangement, the Town has a capital reserve account, held in trust by CCUC, that will help the Town financially to expand its sewer system. This reserve account is expected to grow to over \$600,000.00 by the end of the current fiscal year.

In the upcoming fiscal year, the Town is planning to engage in master planning for the future expansion of sewer systems in town.

**Capital Reserve Funds**

As we all know, the town has a number of capital reserve funds. Currently, annual appropriations to all of these funds total \$275,000.00.

The Town is involved with future transportation planning for the Great Wagon Road (GWR). The GWR represents a commitment by the Town to invest in its own future by providing for areas of planned commercial expansion as well as mitigation for future traffic increases through the core of the town in the future. In the past, the Town has invested in this endeavor by engaging in right of way acquisition and planning activities. The Town's appropriation to the capital reserve account for the Great Wagon Road is proposed to be increased in this budget by \$25,000. This would increase the contribution from \$100,000 to \$125,000.

Funding for the capital reserves is proposed as follows:

• Stormwater Capital Reserve	\$25,000
• Great Wagon Road Right-of-Way Capital Reserve	\$125,000
• Sidewalks/Bikepaths/Greenways Capital Reserve	\$25,000
• Municipal Buildings/Land Capital Reserve	<u>\$100,000</u>
Total	<u>\$275,000</u>

**Capital Projects**

The Capital Projects that remain in the budget during Fiscal Year 2015-2016 are as follows.

<u>Active Projects:</u>	Shallowford Road/Williams Road Roundabout Lewisville-Vienna Sidewalk Project Great Wagon Road Development, Design, Construction Stormwater Repairs Capital Project - Harper Road Lift Station
<u>Non-Active Projects:</u>	JWP Maint. Facility/Playground Expansion

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This budget reflects the desire of Council to address the needs of the Town, while being cognizant of economic conditions. Choices made in expenditures were done to meet the priorities and goals of the Council established during the retreat process and discussions at Council meetings over the past year. During the next few weeks, the Council will meet to deliberate the proposal set forth, and make adjustments as needed.

I would like to thank the staff for their assistance with the development of this budget and the Town Council for their continued guidance and support. Final adoption of the budget is scheduled for the Council meeting in June.

If I may be of any assistance, please feel free to contact me.

Sincerely,

William H. Perkins, Jr.  
Town Manager

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2. Public Hearing
  - a. Mayor Pugh opened the Public Hearing at 8:14 p.m.
  - b. Having no speakers, the Public Hearing was closed at 8:15 p.m.
3. Council Discussion
  - a. None
4. Council Consideration of Budget and supporting ordinances and/or resolutions
  - a. **Ordinance 2015045** - FY 2015-2016 Budget Ordinance
    - (1) Mayor Pugh moved to approve Ordinance 2015045. The motion was seconded by Council Member Smith and approved unanimously. Ordinance 2015045 is herein incorporated by reference into the minutes.
  - b. Council advised those present that contracts were being awarded through the bidding process. (Note: all contract requirements were posted on the town's web site for bidding purposes.)
  - c. Approval of New FY 2015-2016 Contracts
    - (1) **Resolution 2015040** - authorizing the 2015-2016 newsletter printing **contract** with Sir Speedy in an amount not to exceed \$11,812.<sup>50</sup>
      - (a) Council Member Horn moved to approve Resolution 2015040. The motion was seconded by Council Member Smith and approved unanimously. Resolution 2015040 is herein incorporated by reference into the minutes.
    - (2) **Resolution 2015041** - authorizing the 2015-2016 grounds maintenance **contract** with Yards By Us, a subsidiary of

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Lawnmasters for an amount not to exceed \$35,880.<sup>00</sup>

- (a) Council Member Mock moved to approve Resolution 2015041. The motion was seconded by Council Member Greene and approved unanimously. Resolution 2015041 is herein incorporated by reference into the minutes.
- (3) **Resolution 2015042** - authorizing the 2015-2016 plant bed maintenance **contract** with Mock's Landscaping and Nursery not to exceed \$22,850.<sup>00</sup>
  - (a) Council Member Mock was recused from voting on this matter since the contract is with a family member in compliance with §14-234(d1).
  - (b) Council Member Smith moved to approve Resolution 2015042. The motion was seconded by Council Member Horn and approved with a vote of 5-0. Resolution 2015042 is herein incorporated by reference into the minutes.
- (4) **Resolution 2015043** - authorizing the 2015-2016 guardrail mowing **contract** in the WRMSD with Wright's Nursery and Landscaping in an amount no to exceed \$800.<sup>00</sup>
  - (a) Council Member Mock was recused from voting on this matter since the contract is with a family member in compliance with §14-234(d1).
  - (b) Ms. Bruce noted that the required insurance paperwork had not yet been received.
  - (c) Council Member Sadler moved to approve Resolution 2015043 contingent upon the submittal of insurance information. The motion was seconded by Council Member Smith and approved with a vote of 5-0. Resolution 2015043 is herein incorporated by reference into the minutes.

VII. **Unfinished Business**

- A. Mr. Myers provided Council with an update on the illegally placed fence at 6606 Shallowford Road in the downtown and the steps to be taken to rectify the situation.

VIII. **Administrative Reports**

- A. Upcoming **Events at Shallowford Square** and Town Holidays were reviewed.
- B. **Approvals at the Briefing and Action Meeting**
  - 1. Supplemental Agreement #2 for the Shallowford Road Roundabout Project
    - a. **Resolution 2015039** - accepting Supplemental Agreement #2 with the NCDOT
    - b. **Ordinance 2015048** - amending Budget Ordinance 2014027 in the amount

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- of \$11,212.46 to pay Country Boy Landscaping for Supplemental Agreement #2 to revise drainage network due to conflicts to underground utilities
- c. [Ordinance 2015049](#) - Grant Project Ordinance Shallowford Road Roundabout Amending Ordinance 2009025 to include Supplemental Agreement #2 for Country Boy Landscaping
  - 2. [Resolution 2015038](#) - supporting the placement of Connect NC Bond Initiative on the November 2015 Ballot

**IX. For the Good of the Order:**

- A. Public Comments
  - 1. Mayor Pugh opened the Public Comments at 8:36 p.m.
    - a. Bowen Houff, 441 Roller Mill Drive, Lewisville, spoke as a citizen of the town and thanked staff for developing the budget and Council for maintaining the tax rate and providing needed services.
  - 2. Having no other speakers, Public Comments were closed at 8:38 p.m.
- B. Council Comments
  - 1. Council Member Smith congratulated members of the Historical Society for their work on the Nissen House.
- C. Adjournment
  - 1. Council Member Mock moved to adjourn the meeting at 8:40 p.m. The motion was seconded by Mayor Pugh and approved unanimously.

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Dan R. Pugh,  
Mayor

ATTEST:

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Joyce C. McWilliams Walker  
Town Clerk