

AGENDA
STONEVILLE TOWN COUNCIL
5:00 PM *Closed Session §143-318.11(a)
(3) To Consult with Town Attorney (6) Personnel
Regular Meeting
June 2, 2026 – 6:00 PM
Council Chambers at 101 Smith St.

CALL TO ORDER – MAYOR GALVAN

PLEDGE OF ALLEGIANCE & INVOCATION

APPROVAL OF JUNE 2, 2026 AGENDA

APPROVAL OF MINUTES

1. Regular Meeting – May 5, 2026
2. Special Meeting (Budget Work Session) – May 12, 2026
3. Special Meeting (Budget Presentation) – May 14, 2026

PUBLIC HEARINGS

1. 2026-2027 Fiscal Year Budget
2. Text Amendments to the Flood Damage Prevention Ordinance

OLD BUSINESS: NONE

PUBLIC COMMENTS

NEW BUSINESS

1. Presentation of Rockingham County Comprehensive Transportation Plan – Emily Stupka, NCDOT Transportation Engineer
2. Consideration to adopt Resolution R-2026-06 Adopting the Rockingham County Comprehensive Transportation Plan for the Town of Stoneville
3. Consideration to adopt the 2026-2027 Budget Ordinance
4. Consideration to adopt Ordinance O-2026-09 Amending the Flood Damage Prevention Ordinance
5. Consideration of quotes for new pumper/tanker fire apparatus
6. Consideration of a proposed street name for the private drive located at 309 S. Henry Street (Public Works location)

TOWN ADMINISTRATOR REPORT

ANNOUNCEMENTS

- Senior Bingo – Thursday, June 11th from 10:00 a.m. – 12:00 p.m.
- Juneteenth Holiday - Town Hall Closed Friday, June 19th
- Cruise In – Friday, June 19th from 5:00 p.m. – 8:00 p.m.
- Next Council Meeting – Tuesday, July 7th at 6:00 p.m.

CLOSING REMARKS BY MAYOR GALVAN

ADJOURNMENT

CLOSED SESSION
NCGS 143-318.11

(a) Permitted Purposes. – It is the policy of this State that closed sessions shall be held only when required to permit a public body to act in the public interest as permitted in this section. A public body may hold a closed session and exclude the public only when a closed session is required:

(1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes.

(2) To prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award.

(3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. General policy matters may not be discussed in a closed session and nothing herein shall be construed to permit a public body to close a meeting that otherwise would be open merely because an attorney employed or retained by the public body is a participant. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure. If the public body has approved or considered a settlement, other than a malpractice settlement by or on behalf of a hospital, in closed session, the terms of that settlement shall be reported to the public body and entered into its minutes as soon as possible within a reasonable time after the settlement is concluded.

(4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.

(5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.

(6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. General personnel policy issues may not be considered in a closed session. A public body may not consider the qualifications, competence, performance, character, fitness, appointment, or removal of a member of the public body or another body and may not consider or fill a vacancy among its own membership except in an open meeting. Final action making an appointment or discharge or removal by a public body having final authority for the appointment or discharge or removal shall be taken in an open meeting.

(7) To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct.

(8) To formulate plans by a local board of education relating to emergency response to incidents of school violence or to formulate and adopt the school safety components of school improvement plans by a local board of education or a school improvement team.

(9) To discuss and take action regarding plans to protect public safety as it relates to existing or potential terrorist activity and to receive briefings by staff members, legal counsel, or law enforcement or emergency service officials concerning actions taken or to be taken to respond to such activity.

(10) To view a recording released pursuant to G.S. 132-1.4A. (b) Repealed by Session Laws 1991, c. 694, s. 4. (c) Calling a Closed Session. – A public body may hold a closed session only upon a motion duly made and adopted at an open meeting. Every motion to close a meeting shall cite one or more of the permissible purposes listed in subsection (a) of this section. A motion based on subdivision (a)(1) of this section shall also state the name or citation of the law that renders the information to be discussed privileged or confidential. A motion based on subdivision (a)(3) of this section shall identify the parties in each existing lawsuit concerning which the public body expects to receive advice during the closed session.

(d) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 570, s. 2. (1979, c. 655, s. 1; 1981, c. 831; 1985 (Reg. Sess., 1986), c. 932, s. 5; 1991, c. 694, ss. 3, 4; 1993 (Reg. Sess., 1994), c. 570, s. 2; 1995, c. 509, s. 84; 1997-222, s. 2; 1997-290, s. 2; 2001-500, s. 2; 2003-180, s. 2; 2013-360, s. 8.41(b); 2014-79, s. 9(a); 2016-88, s. 3.)

Stoneville Town Council
Regular Meeting Minutes
May 5, 2026
6:00 PM – Council Chambers

Regular Meeting

Members Present: Mayor Kathy Stanley-Galvan and Council members Jessica Smith, Curt Bennett, Henry Thornton, Daisy Smith, and Lee Shelton. Staff Present: Town Administrator Michael Sands, Town Clerk Deleia Hutcherson, Police Chief Rebecca Dixon, Fire Chief Joel Freeman, and Town Attorney Eugene Russell. Public Works Director Byron Curry participated remotely.

Call to Order, Pledge of Allegiance, and Invocation: Mayor Galvan welcomed the assembly and called the meeting to order after the Pledge of Allegiance and Invocation at 6:00 p.m.

Agenda: Mayor Galvan requested a motion to approve the May 5, 2026 agenda, with an amendment to add Item 8 under New Business: Consideration of a quote for the Town of Stoneville's 150th Anniversary fireworks display.

Councilman Thornton made a motion to approve the May 5, 2026 agenda. Seconded by Councilman Curt Bennett. Motion carried unanimously.

Minutes: Councilman Thornton made a motion to approve the April 7, 2026 regular meeting minutes and the April 14, 2026 special meeting minutes (Budget Work Session). Seconded by Councilman Bennett. Motion carried unanimously.

Public Hearings

Public Hearing and Consideration of Contiguous Annexation Ordinance O-2026-07 – Consideration of a request for contiguous annexation submitted by Nexagen, Inc. for property located on East Main Street (Parcel 185849/Tax PIN 793919603137), consisting of approximately 15.4 acres. Councilwoman Daisy Smith made a motion to open the public hearing. Seconded by Councilwoman Jessica Smith. Motion carried.

Mr. Ken Mackovic of Nexagen, Inc. spoke and said he was requesting to annex this property into the town limits. There was some discussion on the intended use of the property, and Mr. Mackovic stated he was still considering his options. Staff confirmed that any development plans for this property would be considered by the Planning Board and the Council.

No members of the public signed up to speak regarding the annexation. Following discussion, Councilman Thornton made a motion to close the public hearing. Seconded by Councilwoman Daisy Smith. Motion carried unanimously. Councilman Thornton made a motion to approve Ordinance O-2026-07 annexing parcel 185849 into the town limits. Seconded by Councilwoman Daisy Smith. Motion carried with a unanimous 5-0 vote. Copy incorporated into minutes.

Public Hearing and Consideration of Demolition Ordinance O-2026-05 – Consideration of adopting a demolition ordinance for the non-residential structure located at 117 N. Henry Street (Parcel 126821) pursuant to Unsafe Building Provisions. Councilman Shelton made a motion to open the public hearing. Seconded by Councilwoman Jessica Smith. Motion carried. The property owner, Mr. Fred Busick of 633 South Main Street, Reidsville, addressed the Council first at the request of Code Enforcement. Mr. Busey stated that he was currently in the process of selling the property to Charles Land.

The prospective purchaser addressed the Council and explained that he intended to rehabilitate the structure, though he had not finalized plans for the property. Council members questioned the purchaser regarding his intentions and timeline for repairs. The purchaser acknowledged awareness of the extensive work required and indicated he intended to begin work within approximately one month after closing.

Code Enforcement Officer Eric Clem addressed the Council regarding the property's compliance history. He explained that the structure had exceeded the established compliance date and that a lis pendens had been filed to ensure code compliance obligations remained attached to the property regardless of ownership transfer. He further advised that the property was substantially deteriorated and estimated to exceed the 50% deterioration threshold under the town ordinance.

Council members expressed support for rehabilitation efforts while also voicing concern about allowing indefinite delays. The Town Attorney advised that the Council could defer action on the demolition ordinance for a specified period to allow the new owner an opportunity to demonstrate progress toward compliance.

With no further comments from the public, Councilman Thornton made a motion to close the public hearing. Councilman Bennett seconded. Motion carried. After discussion regarding appropriate timelines and expectations, Councilman Bennett made a motion to defer action on the demolition ordinance for one hundred twenty (120) days to provide the new owner adequate time to initiate visible improvements and demonstrate good-faith progress toward rehabilitation. Seconded by Councilman Thornton. Motion carried unanimously. Copy incorporated into minutes.

Public Hearing and Consideration of Demolition Ordinance O-2026-04 – Consideration of adopting a demolition ordinance for the non-residential structure located at 105 N. Henry Street (Parcel 126226) pursuant to Unsafe Building Provisions. Councilman Thornton made a motion to open the public hearing. Seconded by Councilman Shelton. Motion carried.

The owner was not present for the meeting and no one signed up for public comments. Code Enforcement staff explained that the property owner had exceeded all compliance deadlines and that no significant repairs had been made. Council discussion focused heavily on the structural complexity and financial implications of demolishing a building situated between adjoining structures in the downtown area. Council members questioned the potential need for engineering studies, structural supports, sidewalk closures, and contractor liability protections.

Council members discussed limited repair attempts previously observed at the property but noted that no substantial rehabilitation efforts had occurred.

The Council also debated the financial burden that demolition could place on the town, particularly if demolition costs exceeded the value of the property itself. Questions arose regarding salvage opportunities, neighboring property protection, and the process for recovering demolition expenses through liens.

After considerable discussion, Councilwoman Daisy Smith made a motion to close the public hearing. Seconded by Councilman Thornton. Motion carried. Councilman Thornton made a motion to defer action on the ordinance for forty-five (45) days to allow the Code Enforcement Officer to gather additional information, including demolition estimates and financial implications. Seconded by Councilman Shelton. Motion carried unanimously. Copy incorporated into minutes.

Public Hearing and Consideration of Demolition Ordinance O-2026-06 – Consideration of adopting a demolition ordinance for the residential structure located at 300 S. Glenn Street (Parcel 170275) pursuant to Minimum Housing Standards. Councilman Thornton made a motion to open the public hearing. Seconded by Councilman Shelton. Motion carried.

The owner was not present for the meeting and no one signed up for public comments. Code Enforcement staff reported that the structure's estimated repair costs substantially exceeded 50% of the structure's assessed value, meeting the threshold for demolition consideration under town ordinances.

Council members discussed the significant deterioration of the property, including roof failures, water intrusion, rot, mold concerns, and possible structural deficiencies that could not yet be fully assessed due to unsafe conditions inside the residence. The Council also discussed the historic nature of the property and whether efforts should be made to encourage the sale of the property or rehabilitation rather than demolition.

Residents and Council members commented on longstanding concerns regarding the property's condition and lack of owner responsiveness. It was noted that notices had been properly served through certified mail and postings, and that the property owner had signed receipt confirmations acknowledging the proceedings. Code Enforcement staff explained that the case had been ongoing since 2024 and had continued through an administrative hearing with the owner. Councilman Thornton made a motion to close the public hearing. Seconded by Councilwoman Daisy Smith. Motion carried.

The Council debated whether to allow an additional grace period before proceeding further. Some members advocated for a short extension due to concerns about setting precedent, while others favored providing additional time for the owner to remove personal belongings and potentially remedy conditions.

Following additional procedural clarification provided by the Town Attorney, Councilman Thornton made a motion to defer consideration of the demolition ordinance for a period of forty-five (45) days to provide the property owner with a final opportunity to remove items from the structure and to allow Code Enforcement staff sufficient time to obtain demolition pricing and prepare for potential future action. Seconded by Councilman Shelton. Councilman Bennett opposed the motion. Upon a vote being taken, the following votes were cast:

Yes: Councilman Thornton, Councilman Shelton, Councilwoman Daisy Smith, and Councilwoman Jessica Smith. No: Councilman Bennett. Motion carried by a vote of 4-1. Copy incorporated into minutes.

Public Hearing and Demolition Ordinance Ratification (104 W. Matthews Street) – Consideration of ratifying the adoption of Demolition Ordinance 2026-01 for the property located at 104 W. Matthews Street (Parcel 126707), and adoption of Resolution R-2026-05 confirming demolition charges and declaring a lien.

Councilman Thornton made a motion to open the public hearing. Seconded by Councilman Shelton. Motion carried. Staff explained that the hearing's purpose was to formally ratify the demolition ordinance and establish a lien against the property for recovery of demolition expenses incurred by the town. No one signed up for public comments. Councilman Thornton made a motion to close the public hearing. Seconded by Councilwoman Daisy Smith. Motion carried. Councilwoman Jessica Smith made a motion to ratify the adoption of Demolition Ordinance O-2026-1 for the property located at 104 W. Matthews Street and to adopt Resolution R-2026-05 confirming demolition charges and declaring a lien. Seconded by Councilman Thornton. Motion carried unanimously. Copy incorporated into minutes.

Proclamations

National Public Works Week – Mayor Galvan presented a proclamation recognizing May 17–23, 2026 as National Public Works Week. The proclamation honored public works professionals for their essential role in maintaining infrastructure, transportation systems, water and wastewater systems, public facilities, and community quality of life. Mayor Galvan emphasized the importance of public works employees and thanked them for their service to the community.

National Police Week and Peace Officers Memorial Day – Mayor Galvan presented a proclamation recognizing May 10–16, 2026 as National Police Week and May 15, 2026 as Peace Officers Memorial Day. The proclamation acknowledged the dedication, sacrifice, and service provided by members of the town’s police department and law enforcement officers nationwide. Special recognition was given to officers who lost their lives or became disabled in the line of duty while protecting their communities. Mayor Galvan expressed her appreciation to Chief Dixon and her department for their service to the community.

Old Business: None

Public Comments: Mr. Steve Evans of 103 Glendale Street addressed the Council regarding the need for replacement fire department equipment, specifically a new fire truck. Two other members of the Fire Department signed up to speak but allotted their time to Mr. Evans.

Mr. Evans reviewed the condition of the department’s aging fleet, noting that Engine 71 is approximately 26 years old and recently required significant repairs. He advised that replacement truck bids previously received ranged from approximately \$990,000 to \$1.2 million, with costs continuing to increase due to inflation and equipment demand. Mr. Evans emphasized the importance of obtaining reliable apparatuses to meet growing service demands, support rapid emergency response, and protect life and property. Council members discussed anticipated residential growth and future increases in emergency calls, acknowledged the department’s concerns, and thanked Mr. Evans for his remarks and years of service.

New Business:

Consideration of Ordinance O-2026-08 – Amendment to Chapter 91 (Fire Prevention and Protection), Section 91.04 (Fire Prevention Code) of the Town of Stoneville Code of Ordinances to Incorporate Fire Alarm System Regulations - Staff explained that while the existing code referenced general fire prevention standards, it did not specifically incorporate detailed fire alarm system regulations necessary for enforcement purposes. Councilwoman Jessica Smith made a motion to approve Ordinance O-2026-08 Amending Chapter 91 and Section 91.04 of the Fire Prevention Code to Incorporate Fire Alarm System Regulations. Seconded by Councilman Thornton. Motion carried unanimously. Copy incorporated into minutes.

Approval of audit engagement letter and audit contract with Tony Brewer, CPA, PC for the year ended June 30, 2026. Total amount not to exceed \$24,000 - Staff advised that the town’s annual financial audit process would soon begin and recommended continuation of services with the town’s existing auditor, CPA Tony Brewer. Councilman Thornton made a motion to approve the audit engagement letter and contract for audit services for the year ended June 30, 2026. Seconded by Councilwoman Daisy Smith. Motion carried unanimously. Copy incorporated into minutes.

Ratification of emergency fire engine repair invoice in the amount of \$9,602.07 - Staff explained that the repairs were necessary to restore operational readiness of one of the department’s fire engines after mechanical issues had developed affecting the vehicle’s reliability and service capability. Councilman Thornton made a motion to ratify the emergency fire engine repair invoice in the amount of

\$9,602.07. Seconded by Councilman Bennett. Motion carried unanimously. Copy incorporated into minutes.

Consideration of quotes for Town Hall renovations – OSBM Grant - Staff presented information regarding needed improvements and upgrades to portions of the building intended to improve functionality, appearance, and overall facility conditions. Staff confirmed that the renovations would be funded with remaining OSBM Grant funds dedicated for repairs and upgrades to Town Hall. Discussion included review of contractor pricing, the scope of proposed renovation work, and potential scheduling considerations to minimize disruption to town operations. Two quotes were received and considered for the renovations. Councilwoman Jessica Smith made a motion to approve the quote from Powell and Associates in the amount of \$12,000 as presented by staff. Seconded by Councilwoman Daisy Smith. Motion carried unanimously. Copy incorporated into minutes.

Consideration of quotes for drainage issue at 106 Glendale Street - Staff explained that drainage concerns in the area had resulted in ongoing water runoff and stormwater management problems affecting the property and surrounding area. Council members expressed the importance of addressing infrastructure and drainage concerns proactively in order to protect both public and private property. Councilman Bennett made a motion to accept the quote from Harris Concrete in the amount of \$6,485.00 as recommended by staff. Seconded by Councilman Thornton. Motion carried unanimously. Copy incorporated into minutes.

Consideration of Colonial Life voluntary employee benefits – Staff informed Council that a representative from Colonial Life contact the HR Officer to see if the town would allow them to present information to staff on potential offerings, such as long-term disability, cancer policies, accident policy and critical illness insurance. He explained the insurance would be voluntary and paid directly by the employee through payroll deduction, if they wish to participate. There would be no cost to the town and Council would also be eligible to participate. Councilwoman Jessica Smith made a motion to allow Colonial Life representatives to share the voluntary benefits package with employees. Seconded by Councilman Thornton. Motion carried unanimously. Copy incorporated into minutes.

Consideration of quotes to upgrade security cameras at Stoneville Memorial Park and Downtown Pocket Park - The Council discussed possible expansion of security camera systems and surveillance infrastructure at town parks and public facilities. Staff explained that the matter had arisen during broader conversations regarding park improvements, vandalism prevention, and public safety monitoring. A request was presented for consideration of installing a webcam at Stoneville Memorial Park. After discussion, the Council agreed additional information and pricing should be gathered before proceeding further. By consensus, the Council agreed to table the matter until the June meeting pending receipt of additional recommendations and cost proposals.

Consideration of a quote for the Town of Stoneville's 150th Anniversary fireworks display - Staff explained that discussions had been ongoing regarding ways to commemorate the milestone anniversary and create a large community celebration.

Councilwoman Jessica Smith reported that she had contacted a fireworks vendor that previously provided fireworks services for a local high school graduation event. Several display options and pricing packages were presented to the Council, including a proposed ten-minute fireworks show with a finale package at a total cost of \$6,750. Staff explained that the company requires a 50% retainer in the amount of \$3,375 to secure the reservation and confirmed that sufficient funds were available within the current budget should the Council choose to proceed. It was further noted that the Town intends to pursue sponsorships and community support to offset or potentially fully fund the event costs.

Preliminary plans for the anniversary celebration include vendors, entertainment, live music, and a festival-style atmosphere in conjunction with the fireworks display.

Councilman Bennett made a motion to approve the 50% down payment to secure services for March 6, 2027. Seconded by Councilwoman Daisy Smith. Motion carried unanimously. Copy incorporated into minutes.

Town Administrator Report: Mr. Sands recognized Cindy Stanley for her volunteer efforts planting flowers in the town planters and in Friendship Park. Appreciation was also extended to Joey Claybook and Merea Bridges for securing and placing the American flags throughout town. Council members expressed gratitude for the volunteers' efforts to beautify the community.

The Council publicly thanked Mr. Sands for his services provided to the town during the past year. Council members stated that his work had exceeded expectations and expressed appreciation for his professionalism and contributions to town operations.

Mayor Galvan announced upcoming events and meetings.

Councilwoman Jessica Smith made a motion to go into closed session pursuant to NCGS §143-318.11(a) (6) Personnel. Seconded by Councilman Bennett. Motion carried.

Councilman Thornton made a motion to go out of closed session. Seconded by Councilwoman Daisy Smith. Motion carried.

Motion to adjourn made by Councilman Thornton. Seconded by Councilman Bennett. Motion carried.

The meeting adjourned at 8:41 p.m.

Mayor, Kathy Stanley-Galvan

Town Clerk, Deleia Hutcherson

Stoneville Town Council
Special Meeting Minutes
Budget Work Session
May 12, 2026
9:30 AM - Council Chambers

Special Meeting

Members Present: Council members Jessica Smith, Daisy Smith, Curt Bennett. Mayor Pro Tem Henry Thornton. Absent: Mayor Galvan and Councilman Lee Shelton (both excused). Staff Present: Finance Officer Mary Ann Greer, Town Clerk Deleia Hutcherson, Public Works Director Byron Curry, Police Chief Rebecca Dixon, and Town Attorney Eugene Russell. Absent: Town Administrator Michael Sands (excused)

Welcome: Mayor Pro Tem Thornton welcomed the assembly and called the meeting to order at 9:30 a.m.

Agenda: Councilwoman Daisy Smith made a motion to approve the May 12, 2026 agenda. Seconded by Councilman Bennett. Motion carried unanimously.

Working Budget Review for 2026/2027

Finance Officer Mary Ann Greer led discussions regarding the working budget. She reviewed revisions made since the initial presentation. She also explained that the original proposal would have required approximately \$512,000 from fund balance, which was later reduced to approximately \$178,000 following adjustments to expenditures and updated revenue estimates. Of that amount, approximately \$133,000 was identified as one-time expenditures, leaving an estimated operational deficit of approximately \$45,000 for recurring expenses. Updated revenue projections included an increase in ad valorem tax revenues and modest increases in sales tax and hold harmless revenues.

Revenue discussions centered on modest improvements in anticipated ad valorem tax revenue and sales tax collections after updated figures were received from the county. Staff reported an increase of roughly \$50,000 in ad valorem revenue projections and additional anticipated growth in sales tax receipts due to revised state calculations. Hold harmless Medicaid-related revenues also increased slightly. The Council expressed optimism that future property development and home sales could strengthen future revenue growth, although current projections remained conservative.

The administration budget was reviewed in detail, with adjustments made to salary calculations based on actual employee anniversary dates for merit increases rather than assuming all raises occurred at the start of the fiscal year. This reduced projected salary obligations and related retirement and benefit costs. Staff explained that medical insurance rates had unexpectedly increased by approximately 23%, significantly above the anticipated 8% increase. As a result, the town began evaluating alternatives, including moving from a high cost "gold" insurance plan to a "silver" plan with higher deductibles offset through a Health Reimbursement Arrangement (HRA). Additional insurance quotes from Aetna and potential participation in a North Carolina Chamber plan were still pending. Administrative reductions also included lower auditor fees, reduced travel and training budgets, and lower overtime projections. The town retained funding for zoning services, a zoning ordinance rewrite project, code enforcement services through a partnership arrangement, and nuisance abatement contingencies.

A substantial portion of the meeting focused on the Fire Department budget and the need to replace a fire truck. Staff reviewed adjustments to salaries, fuel, maintenance, and equipment expenses. The proposed capital outlay allocation for the purchase of a future fire truck was temporarily removed from the draft budget in an effort to reduce fund balance appropriations. Council and staff discussed financing options for the proposed apparatus purchase, including potential USDA financing, vendor

financing, bank or credit union loans, and the need to secure pre-approval before committing to a purchase contract. Fire department representatives explained the operational need for the apparatus, its anticipated long-term service life, and its intended dual-purpose capabilities for fire suppression, tanker support, rescue operations, and mutual aid responses. Discussion also included rising apparatus costs, the possibility of used equipment, estimated build timelines, and potential financing requirements. Staff advised that contact would be made with the Local Government Commission to determine the approval process and financing eligibility requirements.

The Governing Board budget was reviewed, with staff noting a reduction in projected attorney fees based on lower expenditures during the current fiscal year.

Police Department budget discussions included salary and overtime reductions tied to revised staffing projections and merit timing calculations. Fuel, uniforms, equipment, and office supply expenditures were reduced due to lower usage trends and the postponement of hiring an additional officer. However, the budget increased funding for a mandatory Computer-Aided Dispatch (CAD) system required by the state. Discussion also included the Law Enforcement Officer Separation Allowance obligation for a retired officer and the anticipated duration of those payments.

Public buildings expenditures declined due to the completion of previous renovations associated with the local credit union facility. Maintenance expenses were reduced because most municipal buildings remained in relatively good condition. Officials also discussed use of remaining American Rescue Plan (ARP) funds for sidewalk improvements and other eligible infrastructure needs.

The Public Works budget was reviewed with staff explaining that one employee position had been reassigned to the Water and Sewer Fund in recognition of shared departmental responsibilities. This reassignment allowed a reduction in General Fund expenditures. Additional discussion included projected waste collection increases, equipment repair reductions, and allocations for road construction and street maintenance. Staff advised that Powell Bill funds and remaining American Rescue Plan funds would be utilized for paving and sidewalk improvements where eligible.

Parks and Recreation discussions included elimination of a proposed full-time position because the town was awaiting recommendations from a consultant regarding future recreation operations. Budget reductions were also made to beautification, signage, maintenance, and capital outlay accounts, although funding remained for fireworks, the town's 150th anniversary celebration, and park improvements. The council discussed whether the \$10,000 capital outlay placeholder was necessary and clarified that commemorative anniversary T-shirts would be sold to offset associated expenses.

Staff further identified the various one-time expenditures included within the proposed budget, including zoning ordinance updates, grant matching funds, police equipment, recreation consultant services, park improvements, anniversary celebration expenses, fireworks, early warning system equipment, and commemorative merchandise.

Council discussed several budget balancing options, including a proposal to increase the annual motor vehicle registration fee from \$5 to \$15 per vehicle, which was projected to generate approximately \$12,000 annually. Discussion noted that surrounding municipalities currently assess similar or higher fees and that additional revenues could support future fire department equipment needs. Council expressed general support for the proposed increase, and staff indicated that Rockingham County tax officials would be notified should the Council elect to proceed formally.

Additional discussion occurred regarding possible staffing modifications, including suggestions related to reduced work schedules in certain administrative functions; however, concerns were expressed regarding workload demands and maintaining adequate office coverage and customer service levels.

The Water and Sewer budget was reviewed with staff noting that recent savings reduced the amount needed from the fund balance to approximately \$14,000, primarily to cover the cost of a generator for the pump station. Officials also discussed the possibility of obtaining a grant to offset the generator expense, although no funding had yet been secured. Staffing changes within the Public Works and wastewater departments were also reviewed, including the reassignment of one Public Works employee to wastewater operations to create overall savings. The proposed addition of another part-time billing position was removed from the budget in an effort to continue handling operations with current Town Hall staff. Officials confirmed that most water and sewer operations would remain financially self-sustaining, with only minor adjustments needed to maintain required reserve levels and continue progress toward removal from the Local Government Commission monitoring list.

Council members then discussed potential adjustments to rates for customers located in the Extra Territorial Jurisdiction (ETJ) and for commercial users. Members noted that surrounding municipalities charge higher ETJ multipliers, typically ranging from 1.9 to 2.0, compared to the Town's current rate of approximately 1.7. Several participants expressed support for increasing ETJ rates in order to help offset infrastructure rehabilitation costs and reduce the financial burden placed on in-town taxpayers. Preliminary calculations indicated that increasing ETJ rates could generate approximately \$10,000 annually, although exact figures still required further analysis. Discussion also addressed public concerns regarding taxes, utility rates, and perceptions that the Town was receiving additional revenue without reducing ad valorem taxes. Council members explained that despite additional revenues in recent years, rising operational costs and infrastructure obligations continued to create budget deficits. They reviewed previous decisions to maintain the existing tax rate rather than lower it, citing uncertainty about future revenues and rising costs.

The conversation shifted to long-term water and sewer sustainability and the Town's dependence on outside providers. Officials explained that Stoneville operates as a purchased water system and relies entirely on Mayodan for both water supply and wastewater treatment services. Members noted that increases from Mayodan must be passed through to customers in order to avoid additional operating losses. Historical background was provided regarding the Town's former well system, which was abandoned decades ago following agreements tied to regional water infrastructure development. Officials discussed the closure of the Town's former wastewater treatment facility and the transition to pump stations that transport wastewater to Mayodan. Concerns were raised about future growth and infrastructure capacity, particularly as new housing developments increase demand on water, sewer, fire, and public safety services. Members emphasized that while growth expands the tax base, it also significantly increases operating and infrastructure costs. It was noted that the Town may eventually face capacity limitations requiring substantial infrastructure investment or additional negotiations with regional providers.

Additional discussion addressed the possibility of connecting to alternative water systems, including Dan River Water, in emergency situations. Officials explained that any such connection would require approvals from multiple agencies and utility providers, and that purchasing water from another provider could potentially result in even higher costs.

Toward the latter portion of the meeting, officials reviewed several remaining budget adjustments in preparation for the final budget presentation. Planned changes included implementation of a 2.5% cost-of-living adjustment (COLA), merit increases, and an increase in the vehicle tax from \$5.00 to \$15.00. Staff also discussed restoring a previously removed \$40,000 placeholder item into the budget as a restricted one-time allocation. Questions were raised about the Town's ability to remain compliant with Local Government Commission requirements, particularly the required water and sewer fund balance percentage. Staff expressed optimism that the Town would achieve the required 16% threshold during the upcoming fiscal year.

Council members also discussed public communication strategies regarding water rate increases. Suggestions included adding explanatory notes to budget documents and mailing informational letters to residents detailing the reasons for increased rates, including rising wholesale water costs and infrastructure obligations. Staff confirmed that informational notices would be mailed to residents to ensure they had advance notification of the new rates.

The meeting further included discussion regarding ongoing water infrastructure improvement projects on the north side of town. Members discussed the anticipated benefits of replacing aging water lines, including improved water quality, reduction of groundwater infiltration issues, better fire hydrant performance, and potential reductions in water loss due to leaks.

Additional operational topics included staffing needs within the Police Department, including continued funding for a School Resource Officer and confirmation that K-9 program costs were incorporated within the department's salary structure. The council also discussed code enforcement services and whether to continue utilizing a third-party enforcement arrangement. Several members strongly supported maintaining code enforcement efforts, citing recent progress in addressing unsafe or neglected properties and emphasizing the importance of impartial enforcement procedures.

The meeting concluded with confirmation of planned budget revisions prior to the budget presentation on May 14th.

Motion to adjourn made by Councilwoman Jessica Smith. Seconded by Councilwoman Daisy Smith. Motion carried.

Adjourned at 11:33 p.m.

Mayor, Kathy Stanley-Galvan

Town Clerk, Deleia Hutcherson

Stoneville Town Council
Special Meeting Minutes – Budget Presentation
May 14, 2026
6:00 PM – Council Chambers

Special Meeting – Budget Presentation

Members Present: Mayor Kathy Stanley-Galvan and Council members Jessica Smith, Daisy Smith, Curt Bennett, Henry Thornton, Lee Shelton. Staff Present: Town Administrator Michael Sands, Finance Officer Mary Ann Greer, Town Clerk Deleia Hutcherson, Public Works Director Byron Curry, Police Chief Rebecca Dixon, Fire Chief Joel Freeman. Absent: Town Attorney Eugene Russell

Welcome: Mayor Galvan welcomed the assembly and called the meeting to order at 6:00 p.m.

Agenda: Councilman Thornton made a motion to approve the May 14, 2026 agenda. Seconded by Councilwoman Daisy Smith. Motion carried.

Agenda Items:

Consideration of quotes to upgrade security system at Stoneville Memorial Park - Council discussed the proposed upgrades to the security camera system at Stoneville Memorial Park. Staff explained that the security vendor had confirmed the camera system could be integrated into the Town's website in the future to allow live-stream access if desired; however, the vendor did not recommend public streaming due to safety and security concerns. Council members discussed both the potential benefits and drawbacks of providing public access to the cameras. Some members expressed concern that publicly accessible camera feeds could allow individuals with harmful intent to monitor park activity and determine when individuals, particularly women and children, were alone at the park. Other members believed that public access could improve safety by allowing residents to view. Discussion also included concerns regarding limited monitoring during weekends and after-hours periods, blind spots near playground and restroom areas, and the potential value of additional surveillance in deterring criminal or suspicious activity.

The Stoneville Memorial Park project included a quote of \$2,689.26 for camera upgrades and an additional quote of \$3,027.30 for electrical and power line extensions required to support the system. Staff explained that the electrical improvements would also allow installation of a floodlight to illuminate the American flag at the park. Following discussion, Councilwoman Jessica Smith made a motion to approve the installation of security cameras at Stoneville Memorial Park for a total cost of \$5,716.56, using available Park Maintenance funds. Seconded by Councilwoman Daisy Smith.

Councilman Shelton opposed the motion. Upon a vote being taken, the following votes were cast:

Yes: Councilman Thornton, Councilman Bennett, Councilwoman Daisy Smith, and Councilwoman Jessica Smith. No: Councilman Shelton. Motion carried by a vote of 4-1. Copy incorporated into minutes.

Consideration of quote for security system at Downtown Pocket Park - Council members discussed whether existing pocket park funds should instead be reserved for larger future improvement projects, including restroom facilities and other planned amenities, as staff indicated current funding would likely be insufficient to complete all anticipated improvements. Members acknowledged that restroom facilities would likely require surveillance in the future to reduce vandalism and misuse concerns. Additional discussion focused on reports of suspicious activity occurring behind nearby buildings adjacent to the pocket park and the possibility that additional cameras could assist law enforcement with monitoring activity patterns and improving safety within the area. The Downtown Pocket Park project included a quote of \$1,524.60 for the installation of security cameras. By consensus, the Council agreed to table further consideration of camera installation at the downtown pocket park pending additional review of camera placement, electrical requirements, and other project details.

Presentation of Proposed Budget for Fiscal Year 2026-2027 - Staff reported that revisions requested during prior budget discussions had been incorporated into the proposed budget document. It was explained that approximately \$202,000 would need to be appropriated from the General Fund, with approximately \$172,000 allocated toward non-recurring expenditures and approximately \$29,500 required to support recurring operational expenses. Staff reviewed several major budget adjustments, including implementation of a 2.5% cost-of-living adjustment for employees, inclusion of a potential 3% merit increase, reinstatement of a \$40,000 allocation to the Fire Department for future fire truck purchases, and an increase in the motor vehicle fee from \$5.00 to \$15.00. Staff also explained that adjustments to outside water and sewer rates generated approximately \$14,000 in additional revenue, allowing the Water/Sewer Fund to balance without appropriation of fund balance.

Council discussed the impact of the proposed budget changes on the General Fund deficit and reviewed recurring versus non-recurring revenue sources. Staff explained that recent budget revisions reduced the projected General Fund deficit from approximately \$48,000 to approximately \$29,500. Council members requested that future budget presentations include explanatory notes or bullet points to better inform citizens regarding the reasons for fee increases and budget adjustments. Staff also reviewed revenue generated through water and sewer tap fees associated with new residential development and clarified that such revenues should not be considered guaranteed or recurring revenue sources.

Discussion also occurred regarding annual Consumer Price Index increases contained within certain service contracts and whether future negotiations could eliminate or reduce CPI adjustment provisions. Staff reviewed projected fund balance levels and estimated that available fund balance could decline to approximately \$800,000 following planned appropriations and reappropriations. Council reaffirmed its desire to maintain a fund balance target of approximately sixty percent. Staff further advised that the Local Government Commission had authorized the Town to pursue financing commitments related to future fire truck purchases and explained that funds allocated for fire apparatus acquisition would remain within a restricted fund balance account dedicated solely for that purpose.

Staff reviewed employee health insurance proposals for the upcoming fiscal year. It was explained that the recommended option involved transitioning from the current "gold" health insurance plan to a "silver" plan that included a Health Reimbursement Arrangement component. Under the proposal, the deductible would increase to \$4,000, with the Town contributing \$2,500 through the HRA, leaving employees responsible for approximately \$1,500 in deductible exposure. Staff reviewed projected changes involving deductibles, out-of-pocket maximums, office visit copays, emergency room costs, and prescription tiers. Discussion also included the possibility of allowing employees to remain on the more comprehensive gold plan if they elected to pay the premium difference themselves.

Council discussed requests to change the Town's insurance broker of record. Staff reviewed prior insurance discussions and explained that Salem Benefits had completed the Town's current insurance proposal and provided extensive supporting documentation. Council members discussed concerns regarding changing brokers when the actual insurance coverage and pricing available through Blue Cross Blue Shield would remain unchanged regardless of broker selection. Staff explained that the alternate proposal involved transferring brokerage representation from Salem Benefits in Winston-Salem to Provision Benefits Group in Greensboro, with Mr. Smith serving only as a local affiliate rather than the actual broker. Council members questioned the benefit of changing brokers after substantial work had already been completed by the current provider and expressed concern that the proposed change would merely redirect brokerage compensation without providing additional value to the Town. Staff also reviewed limitations associated with obtaining quotes from UnitedHealthcare due to State requirements applicable to municipalities and benefit differences that prevented utilization of those plans. No formal action was taken regarding this matter. By consensus, Council agreed to continue insurance coverage with the current broker as recommended by staff.

Councilman Thornton made a motion to appropriate \$29,500 from the General Fund for non-recurring expenditures to balance the budget. Seconded by Councilwoman Daisy Smith. Motion carried unanimously. Copy incorporated into minutes.

Mayor Galvan thanked everyone for coming out and announced the Public Hearing scheduled for June 2, 2026 for the 2026-2027 Budget.

Motion to adjourn made by Councilwoman Jessica Smith. Seconded by Councilman Bennett. Motion carried.

Meeting adjourned at 7:14 p.m.

Mayor, Kathy Stanley-Galvan

Town Clerk, Deleia Hutcherson

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