

Special Meeting Minutes of the Town Board of Commissioners Meeting of May 8, 2014 at the Highlands Community Building, 71 Poplar Street, Highlands, North Carolina.

Town Board Present: Commissioner John Dotson, Commissioner Amy Patterson, Mayor Pro Tempore Donnie Calloway, Mayor Patrick Taylor, Commissioner Eric Pierson and Commissioner Brian Stiehler.

Also Present: Town Manager Bob Frye, Town Clerk Rebecca Shuler, Public Works Director Lamar Nix, Planning and Development Director Josh Ward, Police Chief Bill Harrell, Finance Director Chuck Young, MIS/GIS Director Matt Shuler, Human Resource Director Sonjia Gibson and Parks and Recreation Director Lester Norris.

1. Meeting Called to Order

Mayor Taylor called the meeting to order at 3:01pm. He also advised the public the board would not be hearing public comments at the budget workshops. Public comments will be heard during regular monthly meetings on May 22nd and June 19th.

2. Adjust and Approve Agenda

Mayor Pro Tempore Calloway made a motion to approve the agenda as presented, which was seconded by Commissioner Stiehler and the vote was unanimous.

3. Review Preliminary Revenue and Expenditures

Manager Frye presented the Board with the following updated Revenue and Expenditure reports from the last budget work session.

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Preliminary FY 2014-15 Revenues and Expenditures and Capital Items
(1.5 cent Tax Adjustment and 3% Electric Rate Adjustment Included)

General Fund	Expenditures	Revenues	Capital Requests	
Administration	\$882,476.00		\$58,000.00	
Planning/Zoning	\$149,647.00			
MIS/GIS	\$269,676.00		\$73,000.00	
Police	\$1,060,101.00		\$83,000.00	
Street	\$602,950.00		\$555,000.00	
Recreation	\$1,473,728.00		\$429,000.00	
Total	\$4,438,578.00	\$4,999,000.00*	\$1,198,000.00	<\$637,578.00>
Enterprise Funds	Expenditures	Revenues	Capital Requests	
			0	
Water	\$637,609.00	\$1,424,609.00	\$787,000.00	0.00
Sewer	\$505,948.00	\$615,000.00	\$97,000.00	12,052.00
Electric	\$4,668,079.00	\$5,150,000.00*	\$10,000.00	\$471,921.00
Sanitation	\$541,299.00	\$540,129.00	\$125,000.00	<\$126,170.00>
Scholarship	\$39,450.00	\$39,450.00		0.00
Cemetery	\$41,200.00	\$41,200.00		0.00
Fire Department	\$387,563.00	\$387,563.00		0.00
Total	\$6,821,148.00	\$8,197,951.00	\$1,019,000.00	\$357,803.00

Grand Total	\$11,259,726.00	\$13,196,951.00	\$2,217,000.00	<\$279,775.00>

*Includes 1.5 cent tax adjustment for Parks and Recreation

*Includes 3% rate adjustment

Fund Balance Transfers

General Fund \$279,775.00

Electric Fund \$471,921.00

Total \$751,696.00

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Preliminary FY 2014-15 Revenues and Expenditures and Capital Items
(No Tax Adjustments or Rate Adjustments Included)

General Fund	Expenditures	Revenues	Capital Requests	
Administration	\$882,476.00		\$58,000.00	
Planning/Zoning	\$149,647.00			
MIS/GIS	\$269,676.00		\$73,000.00	
Police	\$1,060,101.00		\$83,000.00	
Street	\$602,950.00		\$555,000.00	
Recreation	\$1,473,728.00		\$429,000.00	
Total	\$4,438,578.00	\$4,724,000.00	\$1,198,000.00	<\$912,578.00>
Enterprise Funds	Expenditures	Revenues	Capital Requests	
			0	
Water	\$637,609.00	\$1,424,609.00	\$787,000.00	0.00
Sewer	\$505,948.00	\$615,000.00	\$97,000.00	12,052.00
Electric	\$4,668,079.00	\$5,000,000.00	\$10,000.00	\$321,921.00
Sanitation	\$541,299.00	\$540,129.00	\$125,000.00	<\$126,170.00>
Scholarship	\$39,450.00	\$39,450.00		0.00
Cemetery	\$41,200.00	\$41,200.00		0.00
Fire Department	\$387,563.00	\$387,563.00		0.00
Total	\$6,821,148.00	\$8,047,951.00	\$1,019,000.00	\$207,803.00
Grand Total	\$11,259,726.00	\$12,771,951.00	\$2,217,000.00	<\$704,775.00>

Fund Balance Transfers

General Fund \$704,775.00

Electric Fund \$321,775.00

Total \$1,026,550.00

Manager Frye informed the Board that there was one item that had not been included in the budget and that was the detective position that had been requested by the Chief. After a brief question session, the board requested the position be added to the budget.

4. FY14/15 Capital Requests

Manager Frye presented the Board with the following updated Capital Projects list from the last budget work session with projects listed in blue that have been identified for possible elimination.

FY 2014-15 Capital Projects

Blue =Projects Identified for Possible Elimination from FY 2014-15 Budget

Street Department

Street Work (Paving)

Oak Street U.S. 64 to 3 rd Street	\$75,000.00
Oak Street 1 st street to U.S 64	\$40,000.00
Sub Total	\$115,000.00

Repairs

<i>Wall on 3rd Street at Main Street Inn</i>	<i>\$120,000.00</i>
Sidewalks (various)	\$50,000.00
Chowan Drive	\$150,000.00
Sub Total	\$320,000.00

Equipment

Replacement Dump Truck	\$100,000.00
Mowing/Snow Pushing Tractor	\$20,000.00
Sub Total	\$120,000.00

Total \$555,000.00

Sanitation Department

Replacement Cardboard Stations	\$30,000.00
4x4 10yard Side Loading Trash Truck	\$95,000.00
Total	\$125,000.00

Water Department

Waterline Replacement Projects

N.C 28 Upgrade Project	\$690,000.00
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Equipment

<i>Ton Dump Truck</i>	<i>\$55,000.00</i>
<i>Excavator and Trailer</i>	<i>\$42,000.00</i>
Sub Total	\$97,000.00
Total	\$787,000.00

Wastewater Treatment

Treatment Plant Storage Tank Rehab (1 tank)	\$62,000.00
<i>Replacement Pickup Truck</i>	<i>\$35,000.00</i>
Total	\$97,000.00

Police Department

Replacement Police Vehicles (Ford Taurus) x2	
Total	\$83,000.00

MIS/GIS

Water System Communications Upgrade	\$73,000.00
Total	\$73,000.00

Parks and Recreation

<i>Civic Center Stage Renovations</i>	<i>\$199,800.00</i>
Civic Center Upper Level Restrooms Renovations	\$64,800.00
<i>Park Restrooms</i>	<i>\$200,000.00</i>
Total	\$464,600.00

Miscellaneous

<i>Christmas Decorations</i>	<i>\$25,000.00</i>
<i>Storage Building for Christmas Decorations</i>	<i>\$25,000.00</i>
Salary/Position Classification Study	\$8,000.00
Total	\$58,000.00

Electrical Department

Additional Wire Pulling Equipment	Total	\$10,000.00
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General Fund Departments	\$1,233,600.00
Water/Sewer Fund	\$884,000.00
Sanitation Fund	\$155,000.00
Electrical Fund	\$10,000.00

Grand Total	\$2,162,600.00
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Projects Identified for Possible Elimination from FY 2014-15 Budget

Wall on 3 rd Street at Main Street Inn	\$120,000.00
Ton Dump Truck	\$55,000.00
Excavator and Trailer	\$42,000.00
Replacement Pickup Truck	\$35,000.00
Civic Center Stage Renovations	\$199,800.00
Park Restrooms	\$200,000.00
Christmas Decorations	\$25,000.00
Storage Building for Christmas Decorations	\$25,000.00

Total **\$701,800.00**

Deficit with Tax and Rate Adjustment \$751,696.00
Projects Identified for Possible Elimination \$701,800.00

Total **\$50,000.00**

Deficit without Tax and Rate Adjustment \$1,026,550.00
Projects Identified for Possible Elimination \$701,800.00

Total **\$324,750.00**

Upon review of the items identified for removal the board discussed several items including the Christmas decorations and storage, the mowing/snow pushing tractor, the wall at 3rd Street, truck replacement for public works, NC28 waterline replacement, and restrooms at Kelsey-Hutchinson Park.

5. Discussion: Proposed Rate Increases

A. Property Tax Adjustment (Parks and Recreation)

Consensus was in favor of including the 1.5 cent property tax increase earmarked for Parks and Recreation. Commissioner Dotson mentioned having it sunset after a set number of years. It was decided to review this further at the next work session.

B. Electric Rate Adjustment

Kevin O'Donnell was on hand to present information on the Town's progress over the next few years with Duke Energy. Upon completion of the presentation, the board questioned the Town's contract and leaving Duke for other competitors' services.

6. Discussion: Free Utilities

With the discussion of an electric rate adjustment it brings the board to reevaluate free utilities. Currently the town has a minimum of \$47,000 in free utilities being given away to the Chamber of Commerce, ABC Store, Performing Arts Center, and the Playhouse.

Questions arose as to the PAC lease and the Town being bound to the terms of the lease and town owned buildings versus nontown owned buildings. Commissioners decided to consult town attorney Coward as to the binding of the PAC lease.

Mayor Taylor requested staff to have Attorney Coward on hand at the next budget work session of Thursday, May 15, 2014 where this discussion would continue.

7. Adjournment

Mayor Pro Tempore Calloway made a motion to adjourn the meeting, which was seconded by Commissioner Patterson and upon unanimous vote, the Town Board adjourned at 5:06pm.

Patrick Taylor
Mayor

Rebecca R. Shuler, CMC, NCCMC
Town Clerk