**Town of Haw River**

**Town Council Special Called Meeting**

**Monday, May 18, 2015**

The Town Council of the Town of Haw River held a Special Meeting of the Town Council on Monday, May 18, 2015 in the Haw River Municipal Building at 6:30 pm.

Council Members Present: Mayor Buddy Boggs, Lee Lovette, Jeff Fogleman, Kelly Allen

Council Members Absent: Ashley Warren

Also Present: Manager Jeff Earp, Clerk Melanie Hamilton

Mayor Boggs called the meeting to order at 6:30 pm.

Manager Earp presented the Council with the following information in planning for the preparation of the 2015-2016 Budget.

Expenditure Notes/Issues:

General Fund  
General Notes:

1. Each year a major factor in our budget development is cost of health insurance for employees and retirees. The increase came in at 13%. We will also see an increase in the number of retirees covered this year as we will lose two but possibly add three new employees to the rolls due to retirements.

# 2. Police and Fire Staffing issues.

# - Police Overtime funds due to staff shortage and OTJ training for new officers - $5000

# - Fire overtime or over hire with Temporary Employee- $25,000 3. Using Debt service to address capital needs for the 2015-2016 fiscal year. 4. Increasing fee schedules.

5. Match Funding for the federal EDA grant -$42,500.

# Water/Sewer Fund General Notes:

1. Sewer expenditures and the sewer budget will significantly decrease because of the loss of the Green Level sewer flow. This will also cause issues with the ability to generate sufficient revenues to maintain the operations budget of the water and sewer system. This will require significant cuts to expenditures to keep the overall water/sewer budget from being in a deficit at the end of budget cycle. In this budget I have recommended a reduction to staffing to balance this budget.
2. Water/ Sewer will have increased costs due to Burlington’s 3% rate increase.

OTHER ISSUES  
- Currently appropriating approximately $50,000 of General Fund Balance to balance budget proposal.

Town Capital Needs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Capital Expenditure Needs/Requests | | | |  |  |
|  |  |  |  |  |  |
| Fire Department | |  | Unit | Total |  |
|  | SCBA Equipment | | 4,030.70 | 145,105.28 | Grant Pending |
|  | Turnout Gear | | 2,599.00 | 93,564.00 |  |
|  |  |  |  |  |  |
| Police Department | |  |  |  |  |
|  | 2 New Patrol Cars | | 38,000.00 | 76,000.00 |  |
|  |  |  |  |  |  |
| Parks & Recreation | |  |  |  |  |
|  | Tennis Court | |  | 32,000.00 |  |
|  | Lg Shelter Upgrades | |  | 4,000.00 |  |
|  | Stage |  |  | 6,000.00 |  |
|  |  |  |  |  |  |
| Public Works | |  |  |  |  |
|  | Grapple Truck | |  | 130,000.00 |  |
|  |  |  |  |  |  |
| Sewer |  |  |  |  |  |
|  | Generator for Lang Street | | | 25,000.00 |  |
|  | Soft Starts Lang Street | | | 15,000.00 |  |
|  |  |  |  |  |  |
| Admin |  |  |  |  |  |
|  | Town Hall Roof | |  | 45,000.00 |  |
|  | Town Hall Windows | |  | 5,000.00 |  |
|  | HVAC |  |  | 37,000 |  |

Options for funding:

1-New Debt Service  
2-Fund Balance

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Debt Service Payments | |  |  |  |  |
| General Fund | |  |  |  |  |
|  | Fire Truck | Wachovia | Feb-16 | 47,574.00 |  |
|  |  |  | Feb-17 | 47,574.00 |  |
|  |  |  | Feb-18 | 47,574.00 |  |
|  |  |  | Feb-19 | 47,574.00 |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | Police Cars | BB&T | Mar-15 | 18,375.23 | Paid |
|  |  |  | Mar-16 | 18,375.23 |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | Recycling Carts | BB&T | Jun-15 | 8,051.60 | Paid |
|  |  |  |  |  |  |
| Water/Sewer | |  |  |  |  |
|  | Pump Station | Revenue Bonds | Jun-13 | 17,228.00 | Paid |
|  |  |  | Jun-14 | 21,385.00 | Paid |
|  |  |  | Jun-15 | 33,089.00 | Paid |
|  |  |  | Jun-16 | 33,089.00 |  |
|  |  |  | Jun-17 | 33,089.00 |  |
|  |  |  | Jun-18 | 33,089.00 |  |
|  |  |  | Jun-19 | 33,089.00 |  |
|  |  |  | Jun-20 | 33,089.00 |  |
|  |  | Thru | Jun-52 | 33,089.00 |  |
|  |  |  |  |  |  |

FUND BALANCE INFORMATION

General Fund Balance

|  |  |
| --- | --- |
| Town of Haw River |  |
| Fund Balance/Cash Reserves Report | |
| FYE 2013-2014 |  |
|  |  |
| Unassigned General Fund | 485,503 |
| Powell Bill | 370,007 |
| Public Safety | 146,881 |
| Police- $43,567 |  |
| Fire- $103,314 |  |
| Other |  |
| Reserved State Statute | 277,207 |
| General Government | 46,312 |
| Civic Center | 59,317 |
| Reserved Current Year | 72,000 |
|  |  |
| Combined Fund Balance | 1,457,227 |
|  |  |
|  |  |
|  |  |
| Proprietary Fund Cash Reserves: |  |
| Water/Sewer Fund | 622,357 |
| Stormwater Fund | 64,698 |
| Total | 2,144,282 |

General Fund Balance

* Expect the general Fund balance to decrease because of current and future appropriation to balance general fund budget. Powell Bill and Civic Center monies (reserved Cash) will be used to upgrade roads and sidewalks and the Civic Center facility Roof respectively. The total cash available will be approximately $1,457,000.
* Expect the Powell Bill Fund balance to decrease at least $60,000 bringing the total cash available to $310,000. Fund needs to have available cash of at least $300,000 to offset any emergency need.
* Expect the Civic Center reserved fund balance to decrease to approximately $50,000. These funds are available only to offset needs of the Civic Center.

Water and Sewer Fund Balance

* Expect the fund balance to remain steady leaving the total cash available at $622,000. Fund needs to have available cash of at least $500,000 to offset any emergency need.

Storm Water Fund Balance

* Expect the fund balance to increase at least $5,000 bringing the total cash available to $69,000. Fund needs to have available cash of at least $100,000 to offset cost of post construction projects beginning in 2017.

Manager Earp also informed the Council the Town has made it through the first round of funding for the recent EDA grant in the amount of $42,500 and will be moving on to the second round.

7:50 pm

There being no other business, Councilmember Fogleman made a motion to adjourn. Motion carried 4-0.

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Buddy E. Boggs, Mayor Melanie R. Hamilton, Clerk