**Town of Haw River**

**Town Council Special Called Meeting**

**Friday, February 19, 2016**

The Town Council of the Town of Haw River held a Special Meeting of the Town Council on Friday, February 19, 2016 in the Haw River Municipal Building at 3:00 pm.

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

Council Members Absent: n/a

Also Present: Manager Jeff Earp

Mayor Boggs called the meeting to order and gave the invocation at 3:00 pm.

**New Business**

**The Council reviewed and considered for approval the following documents:**

* **Resolution concerning the Main Street sidewalk project**
* **Letter to Federal Legislators concerning the suspension of the DOJ Asset Forfeiture Program**

The NCDOT received the request from the Town for additional assistance with the cost of constructing the Main Street sidewalk during a February meeting to discuss the bids for the project. NCDOT has stated that they will seek additional funding for us at their March NCDOT Board meeting. They have requested that the Council approve a resolution of support for the project and additional funds. Additionally, Council asked Manager Earp to draft a letter to federal legislators in regards to the Town’s opposition of the suspension of the DOJ Asset Forfeiture Program. Manager Earp presented that letter to Council for approval.

Following discussion, Councilmember Allen made a motion to approve the Resolution Supporting a Sidewalk Improvements Project in the Town of Haw River along Main Street and the Letter to Federal Legislators concerning the suspension of the DOJ Asset Forfeiture Program. Motion carried 5-0.

**The Council reviewed and discussed issues related to the upcoming 2016-2017 fiscal year budget.**

Manager Earp then reviewed some pre-budget planning with the Council. Below is a summary of what was discussed.

2016-2017 Pre-Budget Notes

Revenue Notes:

# General Fund

1. Property Tax is expected to remain steady at $658,000 and Fire Tax is expected to drop to $258,000. (Includes approximately $20,000 that will be set aside in a capital reserve fund as noted on the expenditure side.)
2. Sales taxes revenues are projected to come in 6% above projections this year. ($20,000).
3. Interest on investments is low but stable.
4. All other revenues remain stable.

# Powell Bill Fund

1. Powell Bill revenues will remain steady at $62,500 in the upcoming budget year due to projected state calculations.

Water/Sewer Fund

1. Water/Sewer revenues will include any reate increase from Burlington.
2. We also expect that slip lining will reduce I and I cost and increase revenues by at least 10%.

Stormwater Fund

1. Revenues will remain steady.

Expenditure Notes:

General Fund
General Notes:

1. One of the issues that is having a major impact on our budgets and town departments functions is turnover and the inability to find and attract qualified new hires. The Town needs to address the recruitment and retention issues in this budget. A salary study is needed.

2. Each year a major factor in our budget development is cost of health insurance for employees and retirees. We will not know the exact percentage of increase until May, we will be working to restructure or plan to keep cost down.

# 3. Current Debt Service will remain at the 2015-2016 levels. But depending on how we handle the capital needs for the 2016-2017 fiscal year debt service could increase.4. We are also expecting at least a $1,000 increase in the animal shelter fees and have yet to determine impact of proposed animal services facility.

#  5. I anticipate increased funding for economic development activities, at what level will be determined by council plans.

# Powell Bill FundGeneral Notes:

1. Expenditures: no increase except possible sidewalk expansion project.

# Water/Sewer FundGeneral Notes:

1. Sewer expenditures should decease due to the decrease in I and I thanks to slip lining leaking lines.
2. Water/ Sewer will have increased costs if there is a Burlington’s rate increase.
3. Debt service payments for the fund are steady at approximately $33,100 annually. (New Pump Station Debt Service)
4. Capital Outlay needs is addressed in separate capital section of memo.

Stormwater Fund

1. No significant change.

Town Capital Needs

Administration:
Repair leaking windows in Town Hall
Technology to support e-mail archival

Police:
 Admin. Police Cars
Overtime budget
Software Upgrades with two additional

Fire:
Table/Chairs Training Room
Increase funding requested for P/T staffing and per call pay
New reporting software

Public Services

Parks & Rec:
Tennis Courts
Upgrades to Large Shelter (Insulation, Gutters, Lights)
Stage

Public Works:
Clamp Truck

Utilities:
Upgrade to Lang St Pump Station
Generator Lang St Pump Station

FUND BALANCE INFORMATION

General Fund Balance

|  |  |
| --- | --- |
| Town of Haw River |  |
| Fund Balance/Cash Reserves Report |
| FYE 2014-2015 |  |
|  |  |
| Unassigned General Fund |  649,412  |
| Powell Bill |  426,060  |
| Public Safety |  167,223  |
| Police- $38,573 |  |
| Fire- $128,650.62 |  |
| Other |  |
| Reserved State Statute |  199,799  |
| General Government  |  46,312  |
| Civic Center |  59,317  |
| Reserved Current Year |  49,048  |
|  |  |
| Combined Fund Balance |  1,597,171  |
|  |  |
| Proprietary Fund Cash Reserves: |  |
| Water/Sewer Fund |  926,177  |
| Stormwater Fund |  81,163  |
| Total |  2,604,511  |
|  |  |

General Fund Balance

-Expect the general Fund balance to slightly decrease because of current and future appropriation to balance general fund budget. The total cash available will be approximately $1,597,000.

-Expect the Powell Bill Fund balance to decrease at least $180,000 bringing the total cash available to $310,000. Fund needs to have available cash of at least $300,000 to offset any emergency need.

Water and Sewer Fund Balance
-Expect the fund balance to decrease slightly because of wet weather but remaining very healthy at a total cash available at $850,000. 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 $85,000. Fund needs to have available cash of at least $100,000 to offset cost of post construction projects beginning in 2017.

Things to keep in mind:

* 1 cent on the tax rate is approximately $14,445.

DEBT SERVICE:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Debt Service Payments |  |  |  |  |
|  |  |  |  |  |  |
| General Fund  |  |  |  |  |
|  | Fire Truck | Wachovia | Feb-17 | 47,574.00 |  |
|  |  |  | Feb-18 | 47,574.00 |  |
|  |  |  | Feb-19 | 47,574.00 |  |
|  |  |  |  |  |  |
| NEW | Police Cars | BB&T | Sept-16 | 18934.13 |  |
|  |  |  | Sept-17 | 18934.13 |  |
|  |  |  | Sept-18 | 18934.13 |  |
|  |  |  | Sept-19 | 18934.13 |  |
|  |  |  | Sept-20 | 18934.13 |  |
|  |  |  |  |  |  |
| Water/Sewer |  |  |  |  |
|  | Pump Station | Revenue Bonds | Jun-18 | 33,089.00 |  |
|  |  |  | Jun-19 | 33,089.00 |  |
|  |  |  | Jun-20 | 33,089.00 |  |
|  |  | Thru | Jun-52 | 33,089.00 |  |

After reviewing Manager’s Earp pre-budget notes, the Council discussed other issues such as recruitment and retention of the Town’s employees and its effect on the Town’s budget. Council then asked Manager Earp by consensus to move forward with finding a vendor to perform a salary study.

Next, Police Chief Harrison presented the Council with a plan for restructuring the police department. After discussion, Mayor Boggs recommended, and by consensus, the Council decided to table discussion regarding restructuring the police department until the salary study could be completed.

**The Council discussed next steps in regards to the redevelopment planning of the downtown corridor.**

Manager Earp then spoke to the Council regarding redevelopment of the old mill properties in Town. He stated there is an opportunity for the Town to participate in a consulting contract in order to get all eligible mill properties in Town classified into a “historic district”. Manager Earp stated that the owners of the Granite Mill properties are currently working to complete an application to have their property added to the historical registry and have offered to allow the Town to piggy-back on their current contract in order to include the other mill properties in town on this application. The Council by consensus instructed Manager Earp to contact the vendor and request a written agreement for the Council’s review.

Mr. Peebles (one of the Granite mill owners) and his real estate agent Sean Dowell spoke on the importance of this historic district. He also spoke regarding future possible purchase options for the Town regarding certain mill properties. Mr. Peebles also spoke to the Council concerning the importance of public/private partnerships in the redevelopment process.

4:55 pm

There being no other business, Councilmember Fogleman made a motion to adjourn. Motion carried 5-0.

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