

**ERWIN BOARD OF COMMISSIONERS
MEETING MINUTES
SPECIAL CALLED MEETING
MONDAY, MAY 24, 2010
ERWIN, NORTH CAROLINA**

The Board of Commissioners for the Town of Erwin with Mayor Pro Tem Randy Baker presiding held a Special Called Meeting in the Town Hall on Monday, May 24, 2010 at 5:30 P.M. in Erwin, North Carolina.

Board members present were Commissioners Norma Ennis, Mark Whitman, Randy Baker, William Corbett, Michael West and Frank Taylor.

Mayor Patsy Carson was absent.

Town Manager Bryan Thompson and Cynthia Patterson, Town Clerk were present,

Mayor Pro Tem Randy Baker called the meeting to order at 5:30 P.M.

Commissioner Frank Taylor gave the invocation.

Those present recited the Pledge of Allegiance.

AGENDA ADJUSTMENTS/APPROVAL OF AGENDA

Commissioner Taylor made a motion to approve the Agenda and was seconded by Commissioner West. The Board voted unanimously.

OLD BUSINESS

SOLID WASTE COLLECTION SERVICE RFP AND SERVICE OPTIONS

Town Manager Bryan Thompson informed the Board that this issue was carried over from the last meeting with some recommendations from the Town Attorney. Mr. Thompson also stated that this document is not a complete and finalized document that he still has to sit down with the Town Attorney to get verification on a number of his recommendations. There was also discussion of bringing this service back in house. Mr. Thompson stated the Town does not have good comparable's across the Board with the service based on the actual unit cost or cost per unit per month. What we have from Republic Waste and this is just preliminary conversations that they will charge us a flat fee for the entire month and then also bill us based on per call which is \$20 to \$30 per call.

Mayor Pro Tem Baker asked if Staff could look back before No Waste contract and look at numbers of what the Town was paying for that service and compare those numbers with what it would cost to do this in house.

It was the Consent of the Board to change 4 cubic yards to 8 cubic yards gave direction to staff to proceed with cleaning up the document to get ready to be sent out for RFP and do cost analysis between in house and last year contractor.

MINUTES CONTINUED MAY 24, 2010**COMMUNITY CENTER RENTAL AGREEMENT**

There has been some concerns brought up that relates to the fundraising provision in the rental agreement for the Community Center. One of the Commissioner's has been approached about the use of the Community Center what it can be used for. A church organization expressed concern that they wanted to have an event in the Community Center and did not mind the fact in paying for the use of the building however the Town's guidelines basically prohibited it because the church wanted to have a fundraiser meal that they wanted to sell plates for their church activities and also in the course of the sell have a gospel group.

After much discussion, it was the Consent of the Board to not change the language to the Community Center Rental Agreement.

NEW BUSINESS**PROPOSED FIRE DEPARTMENT/TOWN PERSONNEL CONSOLIDATION**

Town Manager Bryan Thompson informed the Board that he had received a call from Chief Blackmon with the Erwin Fire Dept. to set up a meeting concerning full time position of his department. Mr. Blackmon stated that over the past couple of years the Fire Dept. has seen approximately 85% turnover in these positions. The primary cause for this turnover is that the Fire Dept. is not tied in with the State Retirement System. Chief Blackmon wishes to the Town to consider taking on the full time positions by running these positions through the Town payroll.

Mr. Thompson informed the Chief that there are a number of concerns with this proposal and will do research in order to better determine the feasibility of this proposal. At this point, Mr. Thompson has not received any feed back on most of these concerns.

Commissioner Taylor expressed concern with not being controlled by the Town and should not consider this proposal.

Commissioner Corbett stated that this is an independent organization and if the retirement benefit is a problem then they need to solve the problem.

It was the Consent of the Board to not accept the proposal from the Fire Dept.

PRESENTATION OF BUDGET DRAFT AND BUDGET NOTES FOR DISCUSSION

Town Manager Bryan Thompson informed the Board that Staff has prepared this budget in a much more simplified and less complicated format than the prior year's proposed budget. Mr. Thompson then made a few comments on the following:

MINUTES CONTINUED MAY 24, 2010**Ad Valorem 2010 (10-3010-010)**

This is based on a collection rate at 97%. We are on target and feel comfortable in a 97% rate next year as well.

Ad Valorem DMV (10-3011-010)

Missed calculation for this, the \$96,730.80 was based on a 94% collection rate. This is something that the County collects for us. This needs to be changed to \$86,000 with an 84% collection rate.

Interest Earned (10-3290-000)

This is the line item that two years ago budgeted \$250,000 for assuming 4% interest gain on a 6 million dollar money market. At the time the budget was passed and time Mr. Thompson came on board in December and looking at the finances it had dropped from 4% to under 1%. The Town shopped it out and went with First Federal Bank and bumped it from under 1% to a full 2%. It is less than 1 ¼% so moving from \$250,000 projected prior year we dropped it almost \$200,000 to \$72,000 the performance at this point is about \$45,000 it wasn't conservative as it should have been. Not to make the same mistake next year even though we do feel like there is going an increase in the economy we are going with \$50,000.

Cell Tower

This used to be in other revenue but since it is a dedicated source we wanted to make sure we identified and pulled it out of other revenue so we could track the performance to make sure we are getting the money and then we are to allocate that to a special fund then we could make that transaction pretty easy.

Franchise Tax Electric Utility, Piped Natural Gas Excise Tax, Telecommunications Sales Tax, Video Programming Sales Tax, & Solid Waste Disposal Tax

Hold this line on the projections as last year.

Beer & Wine (10-3410-000)

This is where we made a \$20,000 projection last year and it has hold steady. Last year the State withheld the \$20,000 to help out their budget. The League of Municipality has not indicated that they are going to do that this year.

Powell Bill (10-3430-000)

The projected amount is \$138,000 and has cut this 11% based on the expectations from the League of Municipality that the State is going to cut the distribution by 11%.

Recreation Concessions (10-3650-000)

This a \$13,000 drop off of the projection, this has to do with contracting this out.

Recreation Miscellaneous (10-3650-020)

This mostly has to do with sponsorships and had a drastic performance in that. This dropped \$20,000 and will go with \$15,000 in keeping with actual revenue to date.

MINUTES CONTINUED MAY 24, 2010**Garbage Fee (10-3940-010)**

Have increased that by \$5,000 due to a combination of things not a 100% user base fee.

Town Manager Bryan Thompson stated that the Current Year Budget column does not reflect the Fund Balance Appropriations made after the adoption of the operating budget. Rather the only Fund Balance reflected is that amount that was originally approved at the adoption of the budget. These appropriations were removed in order to provide a clearer picture between the current year and the proposed 2010-2011 Fiscal Year. You should also note that in order to balance the draft budget approximately \$63,000 was appropriated from Fund Balance. We are requesting \$20,000 less than we asked last year. What that means is that our Departments have come in and cut their budgets and Administration Staff has gone further and cut budgets and that also mean we have left a lot on the table so far as projects that we had discussed for at the annual retreat. Bottom line if we would go with this budget it's the bare minimum on revenues and expenses reflect this we would be leaning towards a \$63,000 fund balance.

GENERAL FUND EXPENSE

Town Manager Bryan Thompson stated that the list of items discussed at the Annual Retreat were not included in this budget. Originally, each of these issues had been reflected in this budget for the expense and when the revenue more than less finalized it became evident that these projects were not be able to be done without appropriating fund balance. Mr. Thompson stated that he decided to list these issues on a separate sheet to see what a balanced budget would look like assuming the Board would carry on operations as we are today. We could look at the individual items to see what our threshold is for getting these done and how we are going to have options to pay it. The total amount for all the listed items is \$137,237.10 and this does not include Chicora.

Staff is still working on finalizing its insurance package which will not decrease benefits, but rather restructure the benefits to optimize the performance and premium of such benefits. Staff estimates that possible health insurance changes could result in a savings of up to \$20,000 in the operating budget.

Staff is requesting guidance from the Board as to which of these items is important enough to put higher on priority and can the Town with stand financing. Mr. Thompson stated by just his velocity if it is just a one cost that is not going to be a reoccurring cost Mr. Thompson does not have any issue what so ever as a Manager of saying absolutely lets appropriate the Fund Balance due to the fact it is just a one time cost.

Mr. Thompson stated that what he is hearing from the Board is to use the \$21,000 that's being received by the Cell Tower, set it aside in a separate general fund for general Town improvements and that would be required for approval on any use of this fund and is also there to start to building a nest egg for the future.

MINUTES CONTINUED MAY 24, 2010

Mayor Pro Tem Baker stated that what the Town is looking at with the proposed budget

\$63,659.20 --- out of Fund Balance to balance the proposed budget

\$21,000.00---for Revitalization (taking revenue from the Cell Tower and directing that to its own special fund)

\$12,000.00—Library Bathroom Vents, Public Works Garage Door, and Porter Park Drainage

\$96,659.20---To balance the budget and do the proposed projects as discussed

-\$5,000.00---Building Inspections (\$5,000 proposed for demolishing)

\$91,659.20—To balance the budget

It was the Consent of the Board to put the other items listed on hold and just address the one time cost items and gave Staff direction to work toward a proposed budget.

SET WORK SESSION FOR BUDGET MESSAGE AND PROPOSED BUDGET

Commissioner Corbett made a motion to set a Workshop on Tuesday, June 1, 2010 at 6pm for the Budget Message and Proposed Budget and was seconded by Commissioner Whitman. The Board voted unanimously.

ADJOURNMENT

Commissioner Whitman made the motion to adjourn at 8:25 P.M. and was seconded by Commissioner Ennis. The Board voted unanimously.

**MINUTES RECORDED AND TYPED BY CYNTHIA B. PATTERSON,
TOWN CLERK**

Mayor Patsy M. Carson

Cynthia B. Patterson, Town Clerk