

ERWIN BOARD OF COMMISSIONERS  
SPECIAL CALLED MINUTES  
MAY 6, 2014  
ERWIN, NORTH CAROLINA

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The Board of Commissioners for the Town of Erwin with Mayor Patsy Carson presiding, held a Special Called Meeting in the Town Hall on Tuesday, May 6, 2014 at 1:00 P. M. in Erwin, North Carolina.

Board Members present were: Commissioners William Turnage, Randy Baker, Frankie Ballard, Thurman Whitman and Alvester McKoy.

Board Members absent was: Commissioner Ricky Blackmon.

Town Manager Richard Douglas and Town Clerk Cynthia Patterson were present.

Department Heads present were: Kathy Blake, Bill Dreitzler, Debbie Chestnut, Mark Byrd, Doug Stevens, Betsy Pollard and Bill Morris.

Mayor Carson called the meeting to order at 1:00 P. M.

Commissioner Alvester McKoy gave the invocation.

Those present recited the Pledge of Allegiance.

### **APPROVAL OF AGENDA**

Commissioner Ballard made a motion to approve the agenda as is and was seconded by Commissioner Baker. The Board voted unanimously.

### **DISCUSSION OF FISCAL YEAR 2014-2015 BUDGET**

Town Manager Richard Douglas presented a rough draft of the fiscal year 2014-2015 budget to the Board. Mr. Douglas stated that as of April 28<sup>th</sup> staff has stopped all non-essential spending. The revenues, mainly the sales tax is not in projections.

The following is being proposed in the First Draft of the 2014-2015 Budget:

- Maintaining existing ad valorem tax rate of 48 cents, excluding seven cents for fire protection services
- Maintaining existing sanitation rates
- A one percent COLA increase for all employees
- A six percent increase in employee health insurance costs
- Conversion of four part-time Public Works positions to two full-time positions
- Inclusion of many capital items addressed at March 2014 Board of Commissioners planning session, with a capital reserves appropriation of \$159,500

- A fund balance appropriation of \$200,000, matching the current year appropriation
- Incorporation of Powell Bill revenues and expenditures in the operating budget
- Streamlining many revenue and expenditure line items

Excluding Powell Bill expenditures not incorporated in the 2013-2014 fiscal year budget, overall spending is proposed to be increased by one percent from the current year. In the proposed budget most town departments would operate with a decrease or modest increase in expenditures in the next fiscal year.

Commissioner Baker expressed concerned of where the Town is falling short. Why are we taking several hundred thousand out of fund balance? Mr. Douglas stated that we basically don't have enough revenue to cover our service needs.

Commissioner Baker stated we are basically taking \$150,000 out of our savings account just to keep the budget flowing with just normal operational dilemma. When is that going to catch up with us? If the Town's had to do this for the past 7 years then the Town is not looking at long range planning.

Mayor Carson stated that Blue Cross Blue Shield was going up 6% and wanted to make sure this was in writing due to the fact that other Towns were going up much more than the Town of Erwin's.

Mr. Douglas stated that was correct and was also told the Town's rate would be going up significantly next year.

After more discussion, the Board directed Staff to be more self-explanatory with more of a traditional typed budget prepared with each section broken out, include pay scale with the position and pay grade and fee schedule in the next proposed draft of the budget. Have another workshop with data gathered.

### **RECESSED**

Commissioner Baker made a motion to recess until Thursday, May 22, 2014 at 1pm and was seconded by Commissioner Ballard. The Board voted unanimously.

**RECONVENED**

Mayor Patsy Carson was present.

Board Members present were: Commissioners William Turnage, Randy Baker, Ricky Blackmon, Frankie Ballard, Thurman Whitman and Alvester McKoy.

Town Manager Richard Douglas and Town Clerk Cynthia Patterson were present.

Department Heads present were: Kathy Blake, Bill Dreitzler, Debbie Chestnut, Mark Byrd, Doug Stevens, Betsy Pollard and Bill Morris.

Commissioner Baker made a motion to reconvene Thursday, May 22, 2014 at 1pm and was seconded by Commissioner Blackmon. The Board voted unanimously.

Commissioner Baker gave the invocation.

**DISCUSSION OF FISCAL YEAR 2014-2015 BUDGET**

Town Manager Richard Douglas informed the Board that Staff has proposed the Suggested Budget Reductions. They are as follows:

<b><u>DEPARTMENT</u></b>	<b><u>LINE ITEM</u></b>	<b><u>BUDGET REDUCTION (\$)</u></b>	<b><u>REASON</u></b>
PW-Sanitation	Contracted Services	\$25,000	Sanitation collection fees adjusted for actual rates
PW-Sanitation	Dept. Equip/Containers	\$ 7,000	No carts to be replaced in 2014 pending future contract
Planning	Contracted Services	\$20,000	Zoning ordinance--to complete in-house
Police	Capital Outlay	\$ 7,000	In-car computers—to lease from Harnett County
PW-Admin	Capital Outlay	<u>\$ 7,500</u>	Delay until decision on future facility location
<b><u>TOTAL</u></b>		<b><u>\$66,500</u></b>	

Mr. Douglas also stated that with these reductions, you can compare the proposed budget with the current year budget; the proposed budget is only \$10,000 more than the current budget.

The Job Classification and Grade 2014-2015 was presented to the Board. A change is being proposed in the Police and Public Works Departments. Will add in the Police Department 1<sup>st</sup> Sergeant Patrol and Patrol Officer and will add in the Public Works Department an Equipment Operator. Public Works Laborer will increase from 2 to 3 full-time positions.

After much discussion from the Board, the Consensus of the Board for proposed budget was the following changes:

1.5% Cola for Employees

Delay by Three (3) Months for hiring full time employee in the Public Works Department

Remove from Powell Bill Capital Outlay (Snow Plow)

A Public Hearing is scheduled for Thursday, June 5, 2014 at 7pm.

Commissioner Baker made a motion to adjourn at 3:30pm and was seconded by Commissioner Turnage. The Board voted unanimously.

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

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**Patsy Carson**  
Mayor

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**Cynthia B. Patterson, CMC**  
Town Clerk