TOWN OF AYDEN
BUDGET WORKSHOP
MINUTES

June 4, 2018– 7:00pm
Ayden Community Building

I. CALL TO ORDER

A. Call to Order
Mayor Tripp called the meeting to order at 7:03 p.m.

B. Roll Call
Present:
Mayor Tripp
Commissioners Davenport, Langley, Mewborn, Ross and Davis

Absent:
None

Also Present:
Steven Harrell - Town Manager
Sarah Radcliff– Town Clerk

II. PRESENTATION

A. Recognition of Ayden-Grifton High School Volleyball Team

Mayor Tripp and Commissioner Davis presented the Ayden-Grifton High School Volleyball Team with a Certificate of Recognition for Academic Excellence in having the highest team GPA of any volleyball team in the state.

III. PRESENTATIONS OF EXEPENDITURES OF TOWN APPROPRIATION

A. Barbecue Festival

Stephen Smith, Chairman of the Kings of Q Barbecue Festival, addressed the board. He thanked the board for their sponsorship of the BBQ Festival. He stated the $10,000 appropriation from the town is earmarked as the prize money for the cook-off. He stated it was hard to start-up without funds from the town. He said total revenues were around $44,000, with most of that generated from entry fees from the cook teams. Total expenses are currently around $39,000. He stated entry fees were right around $10,000, vendor fees around $2,000, sponsorship fees at $17,500. Commissioner Langley stated he would like to see expenses and revenues after the year is closed out. Mayor Tripp asked if the BBQ Festival Committee meetings were open to the public. Mr. Smith said they were. Mayor Tripp thanked Mr. Smith and said to have two festivals in one town is unheard of. He asked

what kind of comments they hear from the contestants. Mr. Smith said he hears we are one of the best contests the cook teams attend and that we get a lot of great feedback. Mayor Tripp said it is great to have the teams come to Ayden then spread the word about how great their experience was.

B. Collard Festival

Pat Tripp, Chairman of the Ayden Collard Festival, addressed the board. He thanked the board for their support over the years to the Collard Festival and explained that they could not go on without the town's support. He said getting the funds from the town helps with the start-up costs that can run between $16K and $18K. He said the majority of the donation from the town goes to book the bands and entertainment for the festival, as well as for insurance for the festival.

Commissioner Langley said he would like to see a breakdown of the revenues and expenditures. Mayor Tripp asked how many people on the committee were paid. Pat said none of them are paid; they are all volunteers. Mayor Tripp asked what his total budget was. Pat said they get $16,225 and then get around $8,000 in sponsorships, plus $1,800-$2,500 from food vendors, then whatever they make off the rides. Mayor Tripp said of that money they have to pay for the Shriners to come, which is around $4,000, about $8-10,000 for the bands, and about $4,000 for the advertisements. Pat said that is correct. Mayor Tripp asked what he thought was the total attendance for the Collard Festival. Pat said around 18-20,000 people attend. Mayor Tripp asked if he thought those people supported Ayden businesses while they were here for the festival. Pat said he felt the parade drew a lot of people and that the local businesses benefited from it. Mayor Tripp asked how many volunteers it took to run the festival. Pat responded probably about 25 people. Mayor Tripp asked if he owned a business in Ayden. Pat responded that he did not; he does it because he likes to contribute back to the community. Mayor Tripp asked if any of the six people on the committee owned a business in Ayden. Pat said not that he knew of. Mayor Tripp asked why he thought they did it. Pat stated it had to be because of their love for the community. Pat said the festival has been running for 43 years and the town has been giving to it for around 30 of those years. He said they would struggle to do the festival without the town's support.

Commissioner Davenport said she respected what Mr. Tripp did for the town and said we really appreciate him.

IV. CONTINUED FY18-19 BUDGET DISCUSSION

A. Police Cars Purchase

Manager Harrell presented to the Board.

Item Explanation

Per request by Commissioner Langley, staff looked into purchasing police cars. In discussions with Police and Central Garage Departments, staff were planning to recommend three vehicles be replaced this coming year, but due to budgetary constraints, removed them from the proposed budget. Please see attached list of police car fleet and projected replacement schedule. Two detective cars and one squad car are next to be replaced. Purchasing vehicles on state contract, cars are projected to total $84,000 including necessary up fit. It is estimated the cars could be financed for approximately 2.8% APR for 3 years. Payments would total $29,225 a year.

Staff Comments

As part of financing request, staff could request an annual payment, with the first payment not due until the next fiscal budget and thereby save any additional fund balance appropriation for the current year.

Vehicle Status	Asset Id	Acquisition Date	Replacement Year Per Policy	Current Age (Years)	Description	Estimated Replacement Cost	Unit #	Year	Make	Model	Mileage or Hours	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Patrol	722	2/6/2006	2012	12	2006 FORD CROWN VIC	$ 31,000.00	106	2006	Ford	Crown Victoria	86274	$ 28,000.00	$ -	$ -	$ -	$ -
Investigations	765	7/25/2008	2014	12	2006 FORD CROWN VIC (SURPLUS)	$ 32,000.00	293	2006	Ford	Crown Victoria	117000	$ 28,000.00	$ -	$ -	$ -	$ -
Investigations	733	8/30/2006	2012	11	NC STATE SURPLUS POLICE CAR	$ 31,000.00	100	2007	Ford	Crown Victoria	110000	$ 28,000.00	$ -	$ -	$ -	$ -
Patrol	743	1/11/2008	2014	10	2008 POLICE INTERCEPTOR	$ 31,000.00	108	2008	Ford	Taurus	103717	$ -	$ 31,000.00	$ -	$ -	$ -
Patrol	744	1/11/2008	2014	10	2008 POLICE INTERCEPTOR K9	$ 40,000.00	109	2008	Ford	Taurus	NA	$ -	$ 40,000.00	$ -	$ -	$ -
Patrol	742	1/11/2008	2014	10	2008 POLICE INTERCEPTOR	$ 32,000.00	110	2008	Ford	Taurus	10188	$ -	$ 32,000.00	$ -	$ -	$ -
Patrol	753	6/30/2008	2014	9	2008 POLICE INTERCEPTOR	$ 32,000.00	115	2008	Ford	Taurus	65892	$ -	$ 32,000.00	$ -	$ -	$ -
Patrol	766	9/5/2008	2014	9	2009 FORD CROWN VIC	$ 32,000.00	103	2009	Ford	Crown Victoria	80079	$ -	$ -	$ 32,000.00	$ -	$ -
Patrol	800	10/1/2010	2016	7	2010 SURPLUS POLICE CAR	$ 33,000.00	111	2005	Ford	Crown Victoria	117753	$ -	$ -	$ 33,000.00	$ -	$ -
Patrol	801	6/10/2011	2017	6	2011 FORD CROWN VIC	$ 33,000.00	116	2011	Ford	Crown Victoria	76796	$ -	$ -	$ 33,000.00	$ -	$ -
Patrol	814	3/8/2013	2019	5	2013 FORD INTERCEPTOR	$ 33,000.00	102	2013	Ford	Taurus	47829	$ -	$ -	$ 33,000.00	$ -	$ -
Patrol	813	3/8/2013	2019	5	2013 FORD INTERCEPTOR	$ 33,000.00	104	2013	Ford	Taurus	74359	$ -	$ -	$ -	$ 33,000.00	$ -
Patrol	831	11/1/2013	2019	4	2014 FORD TAURUS (9577)	$ 33,000.00	107	2014	Ford	Taurus	66251	$ -	$ -	$ -	$ 33,000.00	$ -
Patrol	830	11/1/2013	2019	4	2014 FORD TAURUS (9576)	$ 34,000.00	105	2014	Ford	Taurus	69773	$ -	$ -	$ -	$ 34,000.00	$ -
Patrol	851	6/30/2015	2022	1	2015 FORD TAURUS (7940)	$ 34,000.00	112	2015	Ford	Taurus	9525	$ -	$ -	$ -	$ 34,000.00	$ -
Patrol	7777	6/30/2016	2022	1	2015 FORD TAURUS (7941)	$ 34,000.00	113	2015	Ford	Taurus	13473	$ -	$ -	$ -	$ -	$ 34,000.00
Admin	00000003	8/17/2016	2022	1	DODGE CHARGER - POLICE	$ 34,000.00	200	2016	Dodge	Charger	8815	$ -	$ -	$ -	$ -	$ 34,000.00
Admin	00000004	8/17/2016	2022	1	DODGE CHARGER - POLICE	$ 34,000.00	201	2016	Dodge	Charger	12842	$ -	$ -	$ -	$ -	$ 34,000.00
Admin	00000005	8/17/2016	2022	1	DODGE CHARGER - POLICE	$ 34,000.00	202	2016	Dodge	Charger	11000	$ -	$ -	$ -	$ -	$ 34,000.00
Investigations					2008 CHEVY UPLANDER	$ 32,000.00	300	2008	Chevrolet	Uplander	81613	$ -	$ -	$ -	$ -	$ -
Animal Control					1998 FORD F150	(a)	301	1998	Ford	F150	129725	$ -	$ -	$ -	$ -	$ -
Admin					2003 AMERICAN GENERAL HUMVEE	$ 80,000.00	400	2003	American Gener	Humvee	1425	$ -	$ -	$ -	$ -	$ -
												$ 84,000.00	$ 135,000.00	$ 131,000.00	$ 134,000.00	$ 136,000.00

(a) Anticipate replacing vehicle with surplus vehicle from Electric or water and sewer when available

Commissioner Langley said when he saw the new police cars had been removed from the budget, he contacted a few people, including the chief, and the garage, to get more information on the current vehicles. He said since we are so far behind on our vehicles, and we don't have any resale value on these vehicles, he felt we needed to update our fleet and requested we purchase and finance six new vehicles. He said what has been presented is for three vehicles. He said he feels we can find the money to this. Commissioner Langley said he felt 14 patrol cars was too many and felt we could cut our cost by reducing our fleet on patrol cars from 14 to 10. He felt this, with a capital improvement plan would save the town money in the long run. Mayor Pro-tem Mewborn asked if it was necessary for each patrol officer to have their own vehicle. Chief Stanley said it depends on how you look at it. He said sharing cares can increase wear and tear on vehicles but can also save money. He said there are three uniformed officers on duty at a time. Mayor Pro-tem Mewborn said he didn't understand why we had to have a vehicle for every officer. He said we are trying to get the budget in line and this doesn't seem to be a necessity. Commissioner Davenport agreed. Mayor Pro-tem asked Chief for his thoughts. Chief Stanley said he would do whatever the board wanted him to do. Commissioner Davis said he felt they should all have their own car. Mayor Tripp asked how Winterville handled it. Chief Stanley said they all have their own cars. Commissioner Davenport said she hated to see us borrow money we don't have. Mayor Tripp asked if the Board has previously approved to allow the police officers to take their cars home. Manager Harrell said they did not. Mayor Tripp said the board needed to make a decision. He stated the budget currently does not have the purchase of new cars included. Commissioner Langley said he would like for the Town Manager to come back with numbers for the purchase of six vehicles and if the interest rate stays the same. He asked if we got bids from all the local banks. Manager Harrell said we wouldn't want to bid ahead of knowing the board's decision because the bids will be different depending on when you go out for them. Commissioner Langley asked where the 2.8% came from. Mr. Taylor said that was the average rate of two loans that the board needed to approve next month. Mayor Tripp asked

for direction from the Board. Commissioner Langley stated he would like to move forward with the purchase of 6 new Dodge Durangos for the 2018-2019 budget and reduce the fleet from 14 to 10. Manager Harrell stated his recommendation was that they not put in the new vehicles this year because the police chief said he could get by for another 12 months. He stated he and Rob are working on a capital improvement plan. Mayor Tripp asked Chief Stanley if there were any vehicles out there that were not safe for the officers to drive. Chief Stanley said there were some 2005 vehicles that were not in the greatest condition. Mayor Tripp asked why we were allowing the officers to drive non-safe vehicles. He said if that is the case, they need to be replaced immediately. He said no officer should be put in danger. Chief Stanley said there wasn't a car in the fleet that was going to kill someone. He said that is not what he was saying. He said some of the cars have issues but nothing that would be detrimental to an officer's life. Manager Harrell suggested looking at the budget and making some cuts if they wanted to add the purchase of 6 new vehicles to the budget. He said he would bring back to the June 11th meeting the financing of 6 new vehicles and some recommended cuts to the budget.

B. Health Insurance Update

Manager Harrell presented to the Board.

Item Explanation

Currently the Town has Aetna as its major medical health insurer. Initially, Carolina Benefits reported in early April that we should expect an 11% increase in our insurance rates from Aetna – this was reflected in the submitted FY18-19 Budget. At the end of April, we learned from Aetna that the actual increase would be 29.30%; equates to an increase of $165,319 over current year's costs.

Staff Comments

During the month of May, staff sought out other major medical health insurance providers for quotes. Rates from other companies through Carolina Benefits continued to be much higher than the original 11% increase quoted in early April. Staff reached out to the N.C. League of Municipalities for a quote from its Municipal Insurance Trust (MIT) pool and received a quote that is 9.33% higher than our current year's cost from Aetna; i.e., 1.67% less than the 11% in the submitted budget. The 9.33% increase equates to annual increase of $52,620, a savings of $112,699 over the Aetna quote. Enclosed the Town Board will find the comparisons of Aetna and MIT health insurance plans – MIT's benefit plan compares favorably with what employees are currently receiving with Aetna.

For information purposes, MetLife, which provides our dental and vision coverage did not have a rate increase for next year.

Mayor Pro-tem Mewborn asked if we checked rates on dental and vision. Manager Harrell said we did not since those rates didn't go up and were what we considered good rates.

C. Donation to Schools

Manager Harrell presented to the Board.

Item Explanation

As reported to the Town Board via email this past week, the new General Assembly budget, to be passed shortly, will have language that will allow municipalities to statutorily provide property tax dollars for public education. Currently, the North Carolina statutory framework for financial support of public schools provides that schools are funded by the state and counties, but not municipalities, and as such, municipalities have no actual statutory authority to give money to schools – as reported earlier to you from information we received from the UNC School of Government. Under current statutes, municipalities have authority to support community development, human relations programs, museums and art programs, recreation programs, community appearance programs, public safety programs, etc.

As you indicated at your last budget workshop, this school donation matter is on your agenda for this coming Monday's budget work session.

Staff Comments

One consideration on how our $9,000 to the three schools can be beneficial to the schools and meet our statutory requirements for the funding, if the Board so chooses to do so, is in the area of public safety. Our Town could donate our $9,000, $3,000 to each school, with the proviso that the funds have to be used for public safety costs; i.e., SRO costs, training of school personnel (in the event of a shooting), etc. Staff took the initiative to contact the principals about this idea and two have responded, Ayden Grifton High and Ayden Elementary, to indicate that this approach for our funding could/would be used by the schools as such – public safety. Of course, with the new General Assembly budget to be passed, tying it to public safety will not be necessary, even so, tying it to public safety as a condition of the donation could be at the Town Board's option.

Final note: there is $9,000 appropriated in this FY17-18 budget for the schools, $3,000 each, and has not at this date been donated to the schools.

Commissioner Ross asked how long we had been giving the schools these funds. Mayor Tripp said probably since 2003. He said we wanted to make our schools unique for economic development purposes. Commissioner Langley asked what the current situation is with SRO's. Manager Harrell said there was a full-time SRO at the high school and a half-time SRO at the middle school. Commissioner Davis stated he was in favor of giving it to the schools for public safety. Commissioner Ross said she was in agreement as well, but felt it needed to be put in writing.

D. Public Works ATV's

Manager Harrell presented to the Board.

Item Explanation

At the Town Board's regular meeting on May 7th, Commissioners requested additional information on the request for two ATVs for the Electric Department. Town manager met with staff. The existing ATVs the Town has are owned by the Town. It was reported these units were acquired from the Federal Government as surplus equipment. Staff informed the board that they would have to be returned to the Federal Government, if we chose to dispose of them – staff has since learned that this is not the case, they do not have to be returned. With that in mind, the units were able within this fiscal year's vehicle maintenance dollars to be refurbished at a cost of $600 each, see attached

pictures. Existing ATVs are 14 years old and have 5,000 hours on each of them, so the use of these units are best for lighter duty work, festivals, etc., and to be used by the Street Department.

Staff also revisited the need for two units and type of unit needed. After meeting with Town Manager and reviewing other units, staff recommends purchasing only one unit. A Kubota RTV X-series is recommended. This unit is more heavy duty than the John Deere ATVs originally considered and with a more flexible turning radius. The Kubota unit also offers more versatile attachments than the John Deere units offered, which can be beneficial to the Town in the future. The Kubota unit also has a higher ground clearance than the Town's existing units (10.4" vs 6"). The new unit has been priced with a 100 gallon boom sprayer at $18,832 (see attached photos and pricing). This is in lieu of the previous recommendation of two ATV's for $29,528.

The Electric Department would use the new ATV to assist with pulling wire and weed control spraying around poles, in areas which are not accessible by pickup truck nor easily by the current lighter ATV's. The Water Department would also benefit from occasional use of the new unit to access lift stations, manholes, hard to reach easements, etc., also not easily accessible by pickup or the current lighter ATV's.

Staff Comments
Funds are available in current FY17-18 Capital Outlay that would allow the purchase of the new ATV unit this year and staff recommends approval of the purchase. As this item was tabled on May 7th until the Town Board's next regular meeting on June 11th, there is no action tonight and the enclosed resolution will be on the June 11th agenda for consideration.

Mayor Pro-tem Mewborn asked if we had other equipment that could perform the same as the Kubota. Manager Harrell asked David Jones, Water & Sewer, and Mark Regnier, Electric to address the Board. Mr. Jones said there are times when he cannot get a vehicle to a site but an ATV would be able to get there. Mr. Regnier said he would use it for similar instances in Electric, when they were unable to get a full size vehicle to a site. They said it would allow them to carry the supplies they need with them, rather than having to carry them back and forth to the site by foot.

E. Farmville Admin. Comparison

Manager Harrell presented to the Board.

Item Explanation
Request from April 30th budget work session for comparison of number of Farmville administrative positions with the Town of Ayden's.

Staff Comments
As reported from the Farmville Town Manager:

Administration (2 FTE)
Town Manager
Executive Assistant / Human Resources Officer

Finance (7 FTE)
Finance Officer / Town Clerk

Accounting Technician IV (Accounts Payable / Payroll)
Accounting Technician III (Utility Billing)
Accounting Technician II (Accounts Receivable)
Accounting Technician II (Collections Clerk)
Accounting Technician II (DMV Manager)
Accounting Technician I (Collections / Part-Time DMV Assistant)

Police (1 FTE)
Police Records Administrator / Admin Asst.

Code Enforcement (1 FTE)
Administrative Support Specialist / Permit Clerk

Total: 11 FTE

Ayden has:

Administration (2 FTE)
Town Manager
Executive Assistant/Town Clerk

Finance (6 FTE)
Director
Sr. Accounting Technician
Utilities' Collection Supervisor
Two (2) Collections Clerks
Payroll Accountant

Public Works/Utilities (1 FTE)
Administrative Support Specialist

Total: 9 FTE

Commissioner Langley said he would like to know the duties and responsibilities of each of these positions that we have. Manager Harrell said he would send it to the board.

F. FY18-19 Budget Line Item Updates & Fund Balance Comparisons

Agenda Item
FY18-19 Budget Line Item Updates & Fund Balance Comparison

SUMMARY OF CHANGES TO PROPOSED BUDGET PRESENTED 4/23/18
GENERAL FUND

- FUND BALANCE APPROPRIATION REDUCED BY $4,247 (down from $229,197 to $224,950)
- INCREASE CORRECT ADDITION ERROR CAPITAL OUTLAY MOWERS $16,000 DID NOT CARRYOVER IN PROPOSED BUDGET
- INCREASE OVERTIME CENTRAL GARAGE $7,500
- INCREASE K9 ADD BACK POLICE DEPARTMENT $3,000

- INCREASE LIBRARY SALARY ADD 2.2% COLA TO PART TIME $574
- DECREASE COLLARD AND BBQ FESTIVAL REDUCED - $15,000
    - SHARE WITH ELECTRIC/WATER SEWER
- DECREASE HEALTH INSURANCE -$5,521
- DECREASE PL AND WORKERS COMPENSATION INSURANCES $-10,800
- POWELL BILL REDUCED STREET RESURFACING TRANSFER TO STORMWATER $35,000

ELECTRIC FUND

- INCREASE POWER PURCHASE $15,345
- INCREASE ADVERTISING COLLARD AND BBQ FESTIVAL $12,000
- DECREASE INSURANCE PL AND WORKERS COMP INSURANCE $27,345

WATER AND SEWER FUND

- FUND BALANCE CONTRIBUTION $38,333
- INCREASE CAPITAL OUTLAY $40,000
- INCREASE ADVERTISING COLLARD AND BBQ FESTIVAL $3,000
- DECREASE PAYROLL AND HEALTH INSURANCE -$2,154
- DECREASE PL INSURANCE AND WORKERS COMP - $6,750
- DECREASE CONTRACTS - $72,429

STORMWATER FUND

- DECREASE REVENUE REMOVE PROPOSED RATE INCREASE - $78,852
- INCREASE REVENUE TRANSFER $35,000 FROM POWELL BILL TO STORMWATER
- DECREASE PL AND WORKERS COMP INSURANCES - $925
- DECREASE SYSTEM REPAIRS - $41,845
- DECREASE PROFESSIONAL FEES - $1,082

FUND BALANCE COMPARISONS

This is the first year with no rate increases recommended since the FY13/14 budget year combined with the lowest overall fund balance appropriations(all funds) since the FY11/12 budget year. To avoid rate increases in FY13/14 required the largest fund balance appropriation - $1,250,915.

Our total fund balance appropriations for this year is a net $186,617:

$224,950 appropriation in the General fund
($38,333) contribution to fund balance in the Water Fund
$0 appropriation in the Electric Fund

Net $186,617.

Total Fund Balance Appropriations adopted

Total 17/18	$	469,265
Total 16/17	$	873,741
Total 15/16	$	712,957
Total 14/15	$	557,000
Total 13/14	$	1,250,915
Total 12/13	$	456,075
Total 11/12	$	140,000

Mayor Tripp asked how much we were taking away from Powell Bill funds. Mr. Taylor said $35,000 would go to the Stormwater fund, leaving $115,000 for street repair. Mayor Tripp stated he did not support that. He felt Powell Bills funds should be used for paving streets. Commissioner Langley stated he was very supportive of not increasing stormwater rates. He recommended that we raise the vehicle fee to $12 to give the town additional income. He asked about contracting out the grass-cutting for $30,000. He asked if we had list of what we have collected in the past on the 80 homes that the town has been cutting. Manager Harrell said he could provide that. Commissioner Langley didn't understand why we were suddenly going to pay someone else to do something we have been doing for many years. Manager Harrell explained that is isn't cost effective to use our staff to cut resident lots when our own lots need to be taken care of. He stated this method was used by nearly every other municipality in the state. Commissioner Langley stated he just wanted to be sure we got reimbursed from the property owners and if we didn't we would pursue it.

Mayor Tripp stated he would be out of town next week during the board meeting and asked if they could change the meeting. There was no response from the board.

V. CLOSED SESSION

A. Pursuant to N.C.G.S. 143-318-11 (a) (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge or grievance by or against an individual public officer or employee. General personnel policy issues may not be considered in a closed session. A public body may not consider the qualifications, competence, performance, character, fitness, appointment, or removal of a member of the public body or another body and may not consider or fill a vacancy among its own membership except in an open meeting.

Motion to go into closed session at 9:01pm.

Motion: Mayor Pro-tem Mewborn
Second: Commissioner Ross
Discussion: None
Approved: 5-0
Motion passed unanimously.

Motion to return to open session at 9:31pm.

Motion: Mayor Pro-tem Mewborn

Second: Commissioner Langley
Discussion: None
Approved: 5-0
Motion passed unanimously.

VI. ADJOURNMENT

Having completed the business before them, Mayor Tripp announced that without objection the Governing Board would stand adjourned at 9:31p.m.

CERTIFICATION

Minutes from the June 4, 2018 budget workshop were adopted and certified this 8th day of October 2018 in Ayden, North Carolina.

AYDEN, NORTH CAROLINA

Stephen W. Tripp, Mayor

ATTEST:

Sarah W. Radcliff, Town Clerk

THE TOWN OF AYDEN INCORPORATED SEAL 1891 PITT COUNTY, NC