TOWN OF AYDEN
BUDGET WORKSHOP
MINUTES

CERTIFICATION

Minutes from the May 1, 2017 budget workshop were adopted and certified this 14th day of August 2017 in Ayden, North Carolina.

May 1, 2017– 4:00pm
Ayden Town Hall – Second Floor Boardroom

I. CALL TO ORDER

A. Call to Order
Mayor Tripp called the meeting to order at 7:00 p.m.

B. Roll Call
Present:
Mayor Tripp
Commissioners Davenport, Harris, Mewborn, Ross and Skinner

Absent:
None

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

C. Welcome Visitors

Mayor Tripp welcomed everyone to the meeting.

II. PRESENTATION AND DISCUSSION OF RECOMMENDED BUDGET

Manager Harrell presented the following.

BUDGET WORKSHOP FY17-18

GENERAL FUND

$4,600,244

PROPERTY TAXES = $1,265,500

TAX RATE AT $0.54 PER $100

REVENUE

• Local Option Sales Taxes	$1,066,250
• Unrestricted Intergovernmental	$ 453,500
• Restricted Intergovernmental	$ 203,000
• Permits & Fees	$ 9,500
• Sales & Services	$ 425,000
• Investment Earnings	$ 4,500
• Miscellaneous Revenues	$ 195,000
• Other Finance Sources	$ 977,994
TOTAL	$ 4,600,244

Noted "Other Finance Sources"

Inter-Gov't Electric Franchise Tax	$ 352,000
GF Fund Balance Appropriated	$ 580,356

▸ EXPENDITURES

• Governing Board	$ 225,717
• Administration	$ 212,419
• Finance	$ 113,008
• Central Garage	$ 64,549
• Public Bldgs	$ 163,928
• Police Dept.	$1,513,175
• Fire Dept. – Town	$ 168,421
• Public Works/Streets	$ 796,832
• Powell Bill	$ 150,000
• Sanitation	$ 256,334
• Planning & Zoning	$ 188,942
• Library	$ 124,493
• Recreation	$ 482,071
• Debt Service	$ 140,355
TOTAL	$4,600,244

ELECTRIC FUND

$12,035,955

REVENUE

- Sales and Services $11,527,800
  - Purchased Power $8,108,781
- Investment Earnings $ 15,170
- Misc. Revenues $ 21,000
- Other Finance Services $ 471,985 (fund balance)

TOTAL $12,035,955

EXPENDITURES

- Electric Admin/Billing $ 425,168
- Electric Operations $11,026,549
- Debt Service $ 186,600
- Special Appropriations $ 397,638

TOTAL $12,035,955

WATER & SEWER FUND

REVENUE

- Sales & Services $2,648,000
  - Water Charges $1,200,000
  - Sewer Charges $1,440,000
- Investment Earnings $ 5,330
- Other Financing Sources $ 741,034 (fund balance)

TOTAL $3,394,364

EXPENDITURES

- Water/Sewer Operations $3,044,546
- Debt Service $ 319,818
- Special Appropriations $ 30,000

TOTAL $3,394,364

RURAL FIRE FUND

Revenue	
Restricted Intergov't	$ 162,354
Expenditures	
Operations	$ 162,354
TOTAL	$ 162,354

LIBRARY TRUST FUND

Revenues	$ 400
Expenditures	$ 400
TOTAL	$ 400

Merit $

Total Payroll	$3,774,304
• 1%	$ 37,743
• 2%	$ 75,486
• 3%	$ 113,229
• 4%	$ 150,972
• 5%	$ 188,715

$0.01 property tax = $23,435 ($0.54 PER $100)

PROPERTY TAXES VIS-À-VIS POLICE PAYROLL

Property Taxes	$1,265,500
Police Payroll	$1,120,214

85.5% of taxes or $0.47 tax rate

Manager Harrell stated several items had been under-budgeted in the past and the requests for FY17-18 had been increased to reflect actual expenses. He stated there was no water rate increase in the recommended budget at this time. He said he does expect the CMSD fees to the town to increase and we will have that final number at the next workshop. He stated Finance Director, Rob Taylor, is reviewing the covenants we have on our debt service for our 2008-2009 USDA loans to see what type of effect that will have on our water and sewer rate. Mr. Harrell stated we would probably have to have a rate adjustment and he would bring that back to the May 22nd workshop.

Rob Taylor, Finance Director, addressed the board. Mr. Taylor stated the water and sewer fund was not keeping up pace. He said too much revenue had been budgeted in the past and the current numbers were more realistic.
Manager Harrell stated he wanted the board to receive the budget well in advance so they would have time to review and make changes as they saw fit. He stated there would be a public hearing on May 8th followed by another workshop on May 22nd. He asked the board if there were any questions or items they would like to discuss.

Commissioner Harris asked if they could get the numbers that were used from each fund to balance the budget for the previous year.

Mr. Taylor said he didn't have a total. He said last year $58,621 was budgeted to be appropriated; however, another $350,000 was pulled, $175,000 from both electric and water and sewer funds, to the general fund. He said the electric fund was budgeted to appropriate $421,574 and $393,546 was budgeted to be appropriated from the water and sewer fund. He said he wasn't sure where we were at this time, however he did know we were running a deficit in the water and sewer fund.

Manager Harrell stated they would have more figures at the May 22nd meeting.

Mayor Pro-tem Skinner thanked staff for bringing a budget with actual expenditures shown.

Mr. Harrell stated we would be getting quotes from three different companies for our health insurance and it is projected to be lower than the current year.

At this time, Mayor Tripp joined the meeting and Mayor Pro-tem Skinner updated him on what had taken place thus far.

Manager Harrell stated the budget did not include $100,000 it would cost to build the bathrooms at Veterans' Park or the $99,000 to fund an Economic Developer position. He said they were not included because it would require additional fund balance to cover those costs.

Mayor Tripp expressed his concerns with the projected budget. He stated we were taking money out of savings and we didn't know how much was in the savings. He said we were using fund balance for operations and we could not continue to function if we kept taking money from the fund balance to operate. He said in three years we would be out of fund balance if we didn't increase the revenues or reduce the expenditures. Mayor Tripp said he felt the budget needed to be cut.

Manager Harrell said what they presented was actual expenditures that it costed the town to operate. He said the figures adopted at the beginning of the year were greatly under-budgeted, and had been for several years. He stated there was no increase in services.

VI. ADJOURNMENT

Having completed the business before them, Mayor Tripp announced that without objection the Governing Board would stand adjourned at 5:20p.m.

THE TOWN OF AYDEN INCORPORATED SEAL 1891 PITT COUNTY, NC

AYDEN, NORTH CAROLINA

Stephen W. Tripp, Mayor

ATTEST:

Sarah W. Radcliff, Town Clerk