



**TOWN OF AYDEN
GOVERNING BOARD MEETING
MINUTES**

May 21, 2014 7:00 p.m. (Reconvened from May 12, 2014)
Ayden Town Hall – Second Floor District Courtroom

I. CALL TO ORDER

A. Call to Order

Mayor Tripp called the meeting to order at 5:00 p.m.

B. Roll Call

Present:

Mayor Tripp

Commissioners Davenport, Harris, Mewborn, Ross and Skinner

Absent:

None

Also Present:

Leonard Barefoot – Interim Town Manager

Chris Tucker – Finance Director

Sherri Scharf – Town Clerk

Robert Sutton – Director of Public Works & Utilities

II. DISCUSSION ITEMS

Presentation of Draft FY 2014-15 Budget

Finance Director Chris Tucker initiated a discussion on the draft FY 2014-15 budget by breaking out the electric, water-sewer and general funds and leading a discussion on each fund. Highlights are listed below in the order in which they were discussed:

A. Electric Fund

- FYE 2013 net position= \$5,693,413
- FYE 2014 fund balance appropriated in new budget= \$667,000
- Amount projected to be needed= \$450,000 to \$500,000
- Projected fund balance available= \$5,000,000
- Challenges to Electric Fund in FYE 2015 budget:
 - ✓ Funding of substation projects
 - ✓ Needed capital for equipment and vehicles = \$150,000
 - ✓ Employee health insurance increase of 10.87%
 - ✓ Rate methodology for gross receipt sales tax repeal
 - ✓ Investment in General Fund activities?

B. Water-Sewer Fund

- FYE 2013 net position = \$1,921,794
- FYE 2014 fund balance appropriated in new budget = \$337,415
- Amount projected to be needed = \$100,000 to \$150,000
- Projected fund balance available = \$1,750,000
- Challenges to Water-Sewer Fund in FYE 2015 budget:
 - ✓ NRWASA rate increase of 19.75%
 - ✓ CMSD operational cost increase of \$21.30%
 - ✓ Employee health insurance increase of 10.87%
 - ✓ USDA/State Revolving Loan debt requirements
 - ✓ Investment in General Fund activities?
 - ✓ Needed capital for John Deere mower = \$22,000

C. General Fund

- FYE 2013 net position = \$1,631,837
- FYE 2014 fund balance appropriated in new budget = \$441,000
- Amount projected to be needed = \$350,000 to \$400,000
- Projected fund balance available = \$1,200,000
- Challenges to General Fund in FYE 2015 budget:
 - ✓ No revenue growth; potential decline to some streams
 - ✓ Desire to increase Police Department budget which already exceeds ad valorem taxes by \$215K
 - ✓ District Park expenditures (P/T staffing, grounds maintenance, supplies)
 - ✓ Weakest fund balance to absorb negative pressures
 - ✓ Second of two contributions to the CDBG Fund = \$52,000

The Board recessed at 6:50 p.m. for dinner and returned to open session at 7:20 p.m. at which time they began a general discussion about the human and financial resources that will be needed for the Police Department to combat gangs and drug related activity in the Town. Mr. Barefoot stated that a full-time gang and narcotics investigator could cost as much as \$65,000 with fringe benefits included. Fortunately we have learned that in the next two weeks we could apply for the COPS grant which may pay 75% of the base salary and fringe benefits over a three year period (approximately \$130,000). This may be the prudent route to take, said Mr. Barefoot, since we would not qualify for this grant if we had already funded it in our budget. Additionally, the Board recently approved additional funding for directed patrols, with \$50,000 in costs evenly split between overtime for current staff and part-time reserve officers. Commissioner Mewborn inquired whether the Town is prepared to hire a gang/narcotics officer even without grant funding. Mr. Barefoot believes it could be possible.

Since a final decision was not reached on the draft budget, Mayor Tripp suggested that the Board take the draft copy home to study and to reach a comfort level on making the cuts needed to balance the budget.

III. CLOSED SESSION

Interim Town Manager Leonard Barefoot recommended that the Board enter into Closed Session pursuant to NCGS 143-318.11 (a) (6) – to consider the appointment or conditions of initial employment of an individual public officer.

Mayor Tripp called for a motion and subsequent vote to enter closed session.

Motion: Commissioner Skinner
Second: Commissioner Davenport
Discussion: None
Approved: 5-0
The motion to enter closed session at 8:50 p.m. was approved.

IV. RETURN TO OPEN SESSION

Mayor Tripp called for a motion and subsequent vote to return to open session.

Motion: Commissioner Harris
Second: Commissioner Mewborn
Discussion: None
Approved: 5-0
The motion to return to open session at 9:05 pm was approved.

V. RECESS

Since the Governing Board had not reached a final decision on the budget, it was decided that there would be time for one more budget workshop session before holding a public hearing on the budget adoption during the regular business meeting on June 9th. Therefore, Mayor Tripp announced, after reaching consensus on the date, that the Board would stand recessed until May 27th at 4:45 p.m.

CERTIFICATION

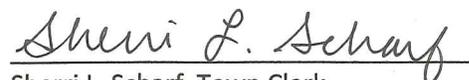
Minutes from the May 21st, 2014 special called meeting were adopted and certified this 9th day of June 2014 in Ayden, North Carolina.



AYDEN, NORTH CAROLINA


Stephen W. Tripp, Mayor

ATTEST:


Sherri L. Scharf, Town Clerk