



**TOWN OF AYDEN  
GOVERNING BOARD MEETING  
MINUTES**

**May 30, 2016** – 12:00 pm (Special Called Meeting – Budget Workshop)  
Ayden Town Hall – Second Floor Boardroom

**I. CALL TO ORDER**

A. Call to Order  
Mayor Tripp called the meeting to order at 12:00 p.m.

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

Absent:  
Commissioner Mewborn

Also Present:  
Leonard Barefoot – Interim Town Manager  
Alicia Simpson – Finance Director  
Kimberly Raynor – Acting Town Clerk

**II. DISCUSSION/ BUDGET PRESENTATION**

Before the meeting began a moment of silence was given in remembrance of Memorial Day. A prayer and the pledge of allegiance were led by Mayor Tripp.

Manager Barefoot had spoken with Commissioner Mewborn regarding the meeting date and his absence at the meeting. Commissioner Mewborn indicated he was unaware at the time of scheduling that Memorial Day would be observed on the meeting date and noted a policy implemented 2-3 years ago stating the boards would not meet on holidays.

He continued that Alicia had met with department heads and made changes to the budget and suggested the board review the changes to begin the discussion. Revenues will increase due to a 7.5% rate hike in water and sewer charges but if the additional revenue does not balance the general fund there are only a few things you can do to accomplish it being: use up the fund balance for capital or raise taxes, said Manager Barefoot.

Mayor Tripp presented the board with a spreadsheet highlighting fund balances, past and projected in 2017, and evaluation estimates with very little changes from last years tax revenue. He also calculated salary increases totaling \$223,711, capital purchases at

\$1,844,650, and power purchase projections to be \$8,678,464. Mayor Tripp summarized his analysis, even with the \$1.5 million dollar loan; the total fund balance was reduced by approximately \$305,576. He also added looking at increasing electric rates to generate more revenue in the electric fund.

Commissioner Harris asked how much was cut from the budget draft from May 18<sup>th</sup> and Alicia responded with a reduction of \$361,469.

Commissioner Davenport was concerned as to why we would borrow money (\$1.5 million dollar loan) just to operate. Mayor Tripp answered back that the loan would be used to pay back what was used from the fund balance to finance the substation rehab and not used for operational costs.

Mayor Tripp concluded that the board needed to review the electric rates and look at strategies for improving residential and commercial growth to help increase the tax base in an effort to add revenue back to the fund balance.

Next, Mr. Barefoot went through the various sections of the General Fund. Highlights below:

Administration – A reduction of the Interim TM Contract to \$5,000 reduces the line item by \$10,000.

Finance - Increase was due to reallocation of salaries.

Tax & Revenue Collection – Increase was due to salary and benefit differential.

Public Buildings-Decrease is due cancellation of cleaning contract and the hiring of a new employee.

Police Department- Commissioner Harris questioned the fleet contingency and why it had never appeared in the pd's budget before. Alicia answered that the maintenance of the vehicles had come from the fleet budget in years past. After discussions of cars and number of officers, staff was asked to research how many officers were needed based on crime and population. The number of vehicles for purchase stayed at three (3).

Sanitation-Increases were due to the knuckle boom truck lease.

Recreation-A reduction of the fleet contingency by \$10,000 reduces the line item to \$5,000.

Electric Operations-Mayor Tripp stated the proposed \$1.5 million dollar loan would put \$750,000 back into the fund balance and of that take \$443,140 to balance the electric fund. He stated that the board needed to look at a possible electric rate increase in the future. Commissioner Harris was hesitant to look at increase the electric rates since the reduction was recent. Most of the larger capital items within the electric operations budget as proposed will not be there next year and we may gain more revenue in the coming years. Loan changes from 10 years to 5 years.

Water-Sewer Operations-The fleet contingency was reduced from \$20,000 to \$15,000.

Additional Notes: Commissioner Skinner and Ross agreed to increase the Collard Festival and BBQ Festival budgets from \$5,000 to \$10,000.

**III. RECESS**

Mayor Tripp called for a motion to adjourn the special called meeting.

Motion: Commissioner Harris

Second: Commissioner Skinner

Discussion: None

Approved: 4-0

The motion to adjourn the Special Called Meeting at 1:50 p.m. passed.

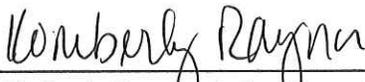
**CERTIFICATION**

Minutes from May 30, 2016 Special Called Meeting were adopted and certified this 21st day of June 2016 in Ayden, North Carolina.

AYDEN, NORTH CAROLINA

  
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Stephen W. Tripp, Mayor

ATTEST:

  
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Kimberly Raynor, Acting Town Clerk