



**TOWN OF AYDEN  
GOVERNING BOARD MEETING  
OPEN SESSION MINUTES**

**May 27, 2015 – 6:00 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 6:05 pm.

**B. Roll Call**

Present:

Mayor Tripp

Commissioners Davenport, Harris, Mewborn, Skinner and Ross

Absent:

None

Also Present:

Brandon Holland – Town Manager

Alicia Simpson – Finance Director

Sherry Scharf – Town Clerk

**II. ENTER CLOSED SESSION**

Mayor Tripp called upon Town Attorney Phil Dixon who recommended that the Board enter Closed Session pursuant to NCGS 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.

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

Motion: Commissioner Skinner

Second: Commissioner Ross

Discussion: None

Approved: 5-0

The motion to enter closed session at 6:05 p.m. was approved.

### III. RETURN TO OPEN SESSION

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

Motion: Commissioner Mewborn

Second: Commissioner Harris

Discussion: None

Approved: 5-0

The motion to return to open session at 6:15 pm was approved.

### IV. BUDGET DISCUSSION

In this third budget workshop, Town Manager Brandon Holland and Finance Director Alicia Simpson presented a revised draft budget with a summary statement that identified revenue and expenditure estimates for FY 2015-16. The summary stated that the budget includes all financial obligations and funding of municipal services with revenues projected conservatively and expenditures projected realistically. Highlights of the proposed budget are listed below.

#### ***General Fund Revenues***

- Property tax rate to remain \$0.54 per \$100 valuation
- Based on Pitt County estimates, real property & vehicle tax valuation = \$229,884,690
- Anticipate 3% increase on sales tax revenue from beer/wine taxes
- Anticipate 2% increase in revenue from solid waste disposal taxes
- Powell Bill funding expected to decrease less than 1%
- Health insurance for all funds to increase by approximately 11%
- \$314,997 of Fund Balance to be used to balance budget
- Storm Water utility fee of \$3 per month per water customer = approximately \$80,000

Mayor Tripp expressed concern with the property tax revenue since the projection was \$1.3 million less than the previous fiscal year. He also stated that he feels a storm water tax would be fairer than a flat fee as it would be calculated based on the property owner's square footage of run-off spaces (i.e. rooftops and paved parking lots). He noted that Grifton raised \$120,000 for a storm water utility fund using a tax instead of a fee.

#### ***General Fund Expenditures***

- Cost of municipal election = \$5,000
- Proposed 2% cost-of-living adjustment (COLA) for all employees
- Support for Ayden schools = \$9,000 (\$3,000 for each school)
- Community appearance via STMS Façade Grants
- Support for Ayden Chamber of Commerce = \$13,000
- Support for Collard Festival = \$5,000
- Customer service: Part-time CSR to full time (increase of about \$9,000)
- Down payment for new fire department truck = \$50,000
- Police department vehicles = \$60,000
- Surveillance cameras for detectives = \$8,000

- Storm water drainage way projects = additional \$80,000 (assuming new Storm Water Utility Fund is established)
- Storm water capital projects = Planters/Snow Hill area at \$50,000 and Westhaven/Verna at \$80,000; total = \$130,000
- Powell Bill/Street resurfacing (\$50,000) + Street Sweeper 5yr loan (\$56,000) = \$126,000
- Large fan cooling system for gymnasium at Recreation Center = \$25,000

Commissioner Harris asked what the total expenditure for the COLA for employees would be, and Manager Holland replied it would be approximately \$130,000. This started a discussion amongst Board members whether a COLA, which would be a recurring or year-to-year expenditure, or an annual bonus, which may or may not be implemented, would be the better budget choice. It was the consensus of the Board to table this discussion/decision until FYE 2015. It was also inquired and reported that there are 3 staff vacancies: a GIS position, a mechanic, and an electric ground technician. Manager Holland stated that it was his cost-saving recommendation to not fill the GIS position since the current planner has this experience, and only a few additional training courses would complete his GIS background. He also recommends filling the electric position, but would like to consider contracting for the mechanic since vehicle maintenance was already being handled by Ayden businesses. Mayor Tripp requested a return-on-investment analysis be done to compare costs of a staff mechanic vs. a contracted one. He requested a similar analysis be done to justify changing the part-time customer service representative to full-time.

Manager Holland also mentioned a robo-call system that could be considered instead of the doorhanger system to notify customers of unpaid balances (and disconnect date, if left unpaid). Since a meter reader must be taken from his role twice each time a doorhanger is hung and subsequently taken down after payment, and since the Town has between 40 to 100 doorhangers placed each week, an automated system would be significantly more cost efficient. The total cost is approximately \$300 and would pay for itself within the first week of use. The Governing Board was in favor of purchasing and implementing this system as well as the large fan cooling system for the gym, as soon as possible. Manager Holland said he would begin the process for the change in customer service; he believes the large fans are already being considered for the gym.

#### ***Enterprise Funds***

- No proposed increases to water rates
- To offset 17% increase from CMSD, sewer rate increase of 5% = \$62,300 in new revenue
- Infrastructure extension for SW Bypass = \$50,000
- Well maintenance = \$27,000
- Electric rate study for preparation of NCEMPA/DEP assets sale = \$20,700
- Inflow & Infiltration (I&I) Study = \$100,000

Mayor Tripp asked if the previously approved \$800,000 for financing the electric substation(s) repairs would be taken from Fund Balance this year or next fiscal year. Manager Holland stated that it would be in this year's fiscal budget. After the June Public Hearing for the FY 2015-16 budget, the Finance Director will issue an RFQ for loan rates to finance the \$2.3 million project. He added that the Town had been following all steps required by the

Local Government Commission, who has approved the process step-by-step. He expects to have bank offers in front of the Governing Board for approval in July.

Related to the need for sewer rehabilitation grant/loan funding, Manager Holland stated that the Town received verbal approval for a \$980,000 State Revolving Fund Loan that can be paid back in 20+ years. He recently met with a USDA Representative who said that grant funding for sewer projects will not be available until October, 2015, but the USDA Representative feels that Town of Ayden could get up to 40% of its needs met when applying for the grant this fall.

Regarding the \$305,000 Fund Balance appropriation to the Electric Fund, Mayor Tripp stated that he wants the Town to get out of the habit of using Fund Balance to pay for expenses.

Related to the Water-Sewer Enterprise Fund, Commissioner Davenport stated that unless we build a reserve fund, we will need to appropriate Fund Balance every year to pay off debt to CMSD, which is why the I&I study is important to identify where to repair sewer lines. She added that until this is accomplished, the problem cannot be fixed, and the CMSD debt will be in place year after year. She also inquired whether a 5% sewer increase would be enough to build a suitable reserve fund. The Board discussed having a 7.5% as a way of building a more robust sewer reserve fund. Mayor Tripp reminded Board members that the 17% CMSD increase Ayden must absorb also factors in plant expansion and residential/commercial growth, which will be necessary to accommodate the SW Bypass that will be in place by 2018.

After some discussion there was a consensus among Board members that the Town needed to spend the \$100,000 for the I&I study as soon as possible. Manager Holland stated that he will begin the process in July.

The Board agreed that a final budget workshop meeting will be scheduled on June 3<sup>rd</sup> at 6 pm to review a final budget draft based on discussions from this meeting. The Public Hearing for the FY 2015-16 budget has been advertised for the June 8<sup>th</sup> Governing Board meeting.

#### **IV. RECESS**

With there being no further business before the Governing Board, Mayor Tripp called on a motion and votes to recess the meeting until the next budget workshop.

Motion: Commissioner Skinner

Second: Commissioner Harris

Discussion: None

Approved: 5-0

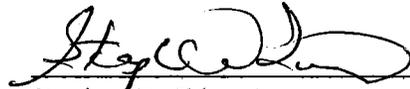
The motion to recess until June 3<sup>rd</sup> at 6 p.m. was approved at 9:00 p.m.

**CERTIFICATION**

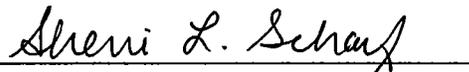
Minutes from the May 27<sup>th</sup> Special Called Meeting were adopted and certified this 8<sup>th</sup> day of June 2015 in Ayden, North Carolina.



AYDEN, NORTH CAROLINA

  
Stephen W. Tripp, Mayor

ATTEST:

  
Sherri L. Scharf, Town Clerk