**Town of Haw River**

**Town Council Special Called Meeting**

**Monday, March 16, 2015**

The Town Council of the Town of Haw River held a Special Meeting of the Town Council on Monday, March 16, 2015 in the Haw River Municipal Building at 6:30 pm.

Council Members Present: Mayor Buddy Boggs, Lee Lovette, Jeff Fogleman, Kelly Allen, and Ashley Warren

Council Members Absent: n/a

Also Present: Manager Jeff Earp, Clerk Melanie Hamilton, Attorney Davis, Attorney Frazier

Mayor Boggs called the meeting to order at 6:30 pm.

**Consent Agenda**

6:30 pm

**The Council considered approval of minutes from the March 2, 2015 regular meeting.**

Councilmember Allen made a motion to approve the consent agenda. Motion carried 5-0.

**New Business**

6:31 pm

**The Town Council received a presentation from Slates Snider with Briard Development concerning a downtown development opportunity.**

Council received a presentation from Braird Development with a project proposal for the remaining vacant old Cone Mill properties on Main Street. This property includes the original Mill that faces the river across from Red Slide Park. Braird Development is proposing to work as a consultant for the Town in order to attract a craft brewery operation to the property. Braird Development is the first of its kind craft brewery development form, specializing in real estate development services, finance and business planning consultation for craft breweries. Slates Snider is a founder of the company and has worked on a similar project in Rocky Mount, NC.

Following the presentation, Manager Earp noted that this presentation was to gauge Council interest in whether this is a project they would like to move forward exploring. No motions are necessary at this time.

Tom Boney with the Alamance News asked the Council about the terms of the contract and what guarantees would be made. Manager Earp responded that the proposed contract from Braird Development is for a one year contract at $85,000 with renewal options at $30,000 per year. Manager Earp also noted that this meeting is to gauge interest in such a project and that no actual contract negotiations have been started. Mr. Boney expressed concern that this is a project that the property owners and not the Town should be paying a consultant for and warned the Town that contracts need to be discussed in open session. He also stated that the Alamance News will be sending a public records request for information on this project.

7:30 pm

**Town Council received a presentation from Manager Earp regarding information concerning the development of the 2015-2016 budget.**

**Revenue Notes:**

**General Fund**

1. Property Tax is expected to remain steady at $658,000 and Fire Tax is expected to drop to $258,000. (Includes approximately $20,000 that will be set aside in a capital reserve fund as noted on the expenditure side.)
2. Privilege license revenues will be reduced by $19,500 due to the loss of our ability to levy a privilege license.
3. Sales taxes are projected to increase next fiscal year minimally. (this depends on legislation regarding the change of sales tax distribution).
4. Interest on investments continues to decrease due to low interest rates on savings.
5. Also we are starting with a $72,000 gap in the budget since we used that much fund balance to balance last year's GF Budget

**Powell Bill Fund**

1. Powell Bill revenues will remain steady at $63,500 in the upcoming budget year due to projected state calculations and we continue to have loss of interest income.

**Water/Sewer Fund**

1. Water/Sewer revenues will include a 3% rate increase to directly offset the 3% percent rate increase from Burlington.

2. We will also loss revenues due to the loss of Green Level sewer as it completes its sewer line to Burlington. This loss is projected in the amount of $395,000. Of that amount we will loss profit approximately $15,000 per month. This will have a significant effect on expenditures and require deep cuts in expenditure budget.

**Stormwater Fund**

1. Revenues will remain steady at due to Increase in number of customers.

**Expenditure Notes:**

**General Fund**

1. Each year a major factor in our budget development is cost of health insurance for employees and retirees. We will not know the exact percentage of increase until May, but we are anticipating an increase between 10% and 25%. We will also see an increase in the number of retirees covered this year as we will lose two but possibly add three new employees to the rolls due to retirements.
2. We will also add one retiree police officer to police salary line because of the Separation Allowance increasing that budget by approximately $ 11,000. (1/2 year cost)
3. Current Debt Service will decrease by $8,051.60. But depending on how we handle the capital needs for the 2015-2016 fiscal year debt service could increase.
4. We are also expecting at least a $1,000 increase in the animal shelter fees.

**Powell Bill Fund**

1. Expenditures: no increase except possible sidewalk expansion project.

**Water/Sewer Fund**

1. Sewer expenditures and the sewer budget will significantly decrease because of the loss of the Green Level sewer flow. This will also cause issues with the ability to generate sufficient revenues to maintain the operations budget of the water and sewer system. This will require significant cuts to expenditures to keep the overall water/sewer budget from being in a deficit at the end of budget cycle.

1. Water/ Sewer will have increased costs due to Burlington's 3% rate increase.
2. Debt service payments for the fund are steady at approximately $33,100 annually. (New Pump Station Debt Service)
3. Capital Outlay needs is addressed in separate capital section of memo.

**Stormwater Fund**

1. No significant change.

# Town Capital Needs Administration:

Roof replacement on Town Hall/Fire Dept Repair leaking windows in Town Hall Technology to support e-mail archival

# Police:

Police Cars

Software for accident drawings

Overtime budget

Body Cameras (grant application submitted)

# Fire:

Air Packs

Turnout Gear

Table/Chairs Training Room

# Public Services

# Parks & Rec:

Tennis Courts

Upgrades to Large Shelter (Insulation, Gutters, Lights)

Stage

# Public Works:

Clamp Truck

# Utilities:

Upgrade to Lang St Pump Station

Generator Lang St Pump Station

Handheld Meter Reading Equipment

**FUND BALANCE INFORMATION**

**General Fund Balance**

|  |  |
| --- | --- |
| Town of Haw River  Fund Balance/Cash Reserves Report FYE 2013-2014 |  |
| Unassigned General Fund | 485,503 |
| Powell Bill | 370,007 |
| Public Safety Police- $43,567 | 146,881 |
| Fire- $103,314 |  |
| Other |  |
| Reserved State Statute | 277,207 |
| General Government | 46,312 |
| Civic Center | 59,317 |
| Reserved Current Year | 72,000 |
| Combined Fund Balance | 1,457,227 |

|  |  |
| --- | --- |
| Proprietary Fund Cash Reserves: |  |
| Water/Sewer Fund | 622,357 |
| Stormwater Fund | 64,698 |
| **Total** | **2,144,282** |

**General Fund Balance**

-Expect the general Fund balance to decrease because of current and future appropriation to balance general fund budget. Powell Bill and Civic Center monies (reserved Cash) will be used to upgrade roads and sidewalks and the Civic Center facility Roof respectively. The total cash available will be approximately $1,457,000.

-Expect the Powell Bill Fund balance to decrease at least $60,000 bringing the total cash available to

$310,000. Fund needs to have available cash of at least $300,000 to offset any emergency need.

-Expect the Civic Center reserved fund balance to decrease to approximately $50,000. These funds are available only to offset needs of the Civic Center.

**Water and Sewer Fund Balance**

-Expect the fund balance to remain steady leaving the total cash available at $622,000. Fund needs to have available cash of at least $500,000 to offset any emergency need.

**Storm Water Fund Balance**

- Expect the fund balance to increase at least $5,000 bringing the total cash available to $69,000. Fund needs to have available cash of at least $100,000 to offset cost of post construction projects beginning in 2017.

**Ways to Close Budget Gap**

Have department heads reduce spending.....

Look at staffing and decide if we need to freeze or abolish positions....... Increase Property Tax ...............

Use fund balance to close gap ....................

Some combination of all above ............... Things to keep in mind:

1 cent on the tax rate is approximately $14,445.

7:55 pm

There being no other business, Councilmember Fogleman made a motion to adjourn. Motion carried 5-0.

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Buddy E. Boggs, Mayor Melanie R. Hamilton, Clerk