**Town of Haw River**

**Town Council Special Called Meeting**

**Monday, June 23, 2014**

The Town Council of the Town of Haw River held a Special Meeting of the Town Council on Monday, June 23, 2014 in the Haw River Municipal Building at 6:30 pm.

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

Council Members Absent: Ashley Warren

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

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

Manager Earp presented the Council with the following necessary changes to the proposed 2014-2015 Budget:

* The NC Retirement System initially sent out incorrect law enforcement contribution rates for the 2014-2015 year. The new rate results in a $464 increase to the proposed budget.
* One of the Town’s retirees does not reside in Alamance County and was incorrectly quoted as a non-tobacco user for his medical insurance. These changes resulted in an increase of $2,825 to the proposed budget.
* The sidewalk project cost increases have raised the total project cost from $125,000 to $200,000. Therefore, the proposed budget has been updated to reflect the total project cost and funding of $200,000.

Manager Earp informed the Council that Privilege Licenses have been officially eliminated starting in the 2015-2016 fiscal year. With the changes to privilege license laws, the Town will not be able to charge a privilege license to businesses that do not have physical presence within the Town limits for the 2014-2015 fiscal year. This will result in a loss of approximately $3,500 in revenue.

Manager Earp asked the Council to consider the Town’s need for a storage building for police and fire department use. This need is not currently addressed in the current budget but has been an issue for the past few years and the need is not going to go away. Additionally, the original quote received by the Town on May 9th has already increased by approximately $3,000 as of today due to the increasing costs of metal. The building that staff has had quoted is 1200 square feet, 10 ft tall, and is currently quoted at $21,500. This quote includes the cost of the building, grading, concrete slab, and installation. The Town would need to provide electric and heating. Manager Earp proposed that the Council consider using federal forfeiture funds (police department), fire capital reserve funds (fire department), and general capital reserve funds (public buildings) for the purchase of this building if the Council chooses to approve purchase in the upcoming fiscal year.

Council then discussed all of the funding increases and revenue losses for the upcoming fiscal year. They also discussed the use of $50,000 to balance the current proposed budget. While the Manager’s proposed budget does not include a recommendation for a tax increase, the Council discussed at length the possible need for a tax increase.

Mayor Boggs made a motion to approve a $.03/$100 valuation tax increase. Motion failed 1-3 with Councilmembers Allen, Lovette, and Fogleman dissenting.

Councilmember Lovette then made a motion to approve a $.02/$100 valuation tax increase. Motion failed 1-3 with Mayor Boggs, Councilmember Allen and Councilmember Fogleman dissenting.

Councilmember Lovette then made a motion to allow Manager Earp and staff to update the proposed 2014-2015 Budget to include increases for Law Enforcement retirement contributions, retiree insurance premiums, full cost of the sidewalk project, and purchase of a storage building. Motion carried 4-0.

7:00 pm

Councilmember Fogleman made a motion to recess in order to allow staff to make the proposed changes to the budget. Motion carried 4-0.

7:23 pm

Councilmember Fogleman made a motion to return to open session. Motion carried 4-0.

Manager Earp presented the Council with the Town of Haw River 2014-2015 Budget Ordinance with approved changes for review and consideration.

Following review, Councilmember Lovette made a motion to approve the Town of Haw River 2014-2015 Budget Ordinance. Motion carried 4-0.

7:26 pm

There being no other business, Councilmember Fogleman made a motion to adjourn. Motion carried 4-0.

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