

**Town of Haw River
Town Council Meeting
Monday, May 21, 2018**

The Town Council of the Town of Haw River held its Town Council Meeting on Monday, May 21, 2018 in the Haw River Municipal Building at 7:00pm.

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

Council Members Absent: None

Also Present: Manger Sean Tencer, Clerk Lesley Gonzalez, Acting Clerk Mark Swing, and Attorney Charles Davis

Mayor Boggs called the meeting to order and gave the invocation at 7:00 pm.

2018-2019 Budget Proposal

Special budget meeting message was read by Town Manager Tencer to the board and public. The Town's General Fund is proposed at \$3,938,000.00, a 3% decrease over the current fiscal year.

- The Ad Valorem tax rate was recommended to remain at 48¢ per \$100 of valuation. One penny on the tax rate is estimated to generate \$14,300 in the upcoming year based on a 98% collection rate. No increase to sanitation, recycling or storm water fees are proposed.
- A 5% increase to water and sewer charges is proposed. Water and Sewer rates are being proposed to adjust to realign with their respective expenditures for additional staff.
- The employee Cost of Living Adjustment (COLA) is proposed at 1.5% based on the CPI-U increase of 2.1%. This does not include the .05% adjustments made to employee salaries in accordance to the pay plan study.
- Employee Health Insurance premiums were budgeted to increase by 7.9% or about \$19,300 and we will maintain the existing benefits with our current provider.
- A mandatory employer contribution increased .25% to the Local Government Employees' Retirement System (LGERS) is included. This will cost the City an extra \$2,600.
- However, without a tax rate increase to help fund several capital purchases and staffing needs, the Town will need to borrow from its General Fund Balance in the amount of \$146,000.00 to balance the budget.

Administration Dept - Money will be funded in budget to provide extra training for Lesley Gonzalez & Mark Swing since they are new employees. The biggest expense is for permanent 20-hour part-time position to help with front desk operations. This expense will be funded by the water and sewer fund, and not the general fund because the primary duties will be to help with water and sewer payments from the public. Also, Public buildings increased due to lawn care.

Police Dept – A new police detective was not funded, two (2) new police SUVs will be financed \$65,000.00 and outfitted with drug forfeiture money. Goal is to give each officer their own vehicle and will also be given \$40.00 stipend money to help supplement cost due to personal cell phone use for work. Funds will be provided to have police department enrolled in a couple memberships for the year. Police Chief Harrison is expecting two (2) grants to help with purchases or Radios but there has been held up in Washington for radio approval. First grant is for first \$24,500.00 and Police dept has been approved for 50/50 match \$19,500.00.

Fire Department – Staffing remains a problem and Part Time funds will be cut in half. Town does plan to hire one (1) full-time fire fighter at \$34,458.00 annual salary, with benefits will cost \$49,000.00 and department will be leasing new radios for. Fire Department is currently getting quotes from Kenwood and Motorola. The Town will also need to keep in mind the future purchase of a new fire truck to replace the aging pumper/tanker of the fire department. Town will also transfer money from Capital overlay due to Fire Dept bathroom remodeling.

Public Works: Nothing changed

Parks & Rec: Part-time employees increased from \$7.25 to \$8.00 hourly.

Mayor opened the Public Hearing

Councilmember Allen asked Town Manager Tencer if we could we hire Fire Fighter volunteer to do EMT services only and use our Full-Time staff for FIRE calls. Attorney Davis said probably not due to legalities but will research.

Councilmember Allen questioned why if animal surrender in Haw River is going down but Animal Shelter rates are increasing? Town Manager Tencer informed rates were going up all around us.

Councilmember Allen questioned why we snow plow which is taken out of the Fire Department funds and takes about 2.5 hours to plow Main Hall, Fire and Police area. Jeff chose to have them plowed for citizens safety.

Town Manager Tencer said Randall already patched the tennis court with extra \$4,800.00 so we can get a couple more years out of it. No funds for the picnic tables.

There will be a need to hire new employee at \$29,000.00 annual salary to be trained for Glen's position when he retires. Candidate should be certified or paid for training for his certifications. Town may offer position to a current employee or contract it out. Town Manager Tencer will research if it can be contracted.

Mayor Boggs opened board for questions

Mayor Boggs asked about General fund revenues: expecting \$16,000.00 for fire taxes this year.

Town Manager Tencer said we didn't collect 16k this year, but we can go to North Carolina Dept of Revenue & see what Town was due to collect. However, factored in 98% collection rate in new budget. Also, NC league municipality projected sales tax changed 4.5% but we factored in less. Town will comply to General Statute laws and not drop below 8% of expenditure; General fund is currently \$511,000.00 – \$114,000.00, so still within guidelines. Wanda Baldwin, CPA with Cobb Ezekiel Loy PA, spoke to council members letting them know she and Lesley Gonzalez would reclassify to have accurate numbers for financials.

System development fees: were not factored in budget because it must be used to expand water usage, reserve fund. For a 3-quarter inch line we can charge \$1,433.00 up to \$3,600.00. We lost money in tap fees. In new fee schedule, it will be cost plus 5%.

Yard Waste: 3 bites are free and \$13.50 starting at 4th bite then will resume normal fee schedule

Solid waste fee: No change

Civic Center: Rental rates increase for Haw River residents to \$100.00 & \$150.00 to Non-Residents. The time has been divided into 4-hour blocks with an option to have all Day at \$200.00 Resident and \$350.00 Non-Resident.

Councilmember Lovette suggested we find out the cost to have Wi-Fi in added to Civic Center to offer to business meetings who need to show Power Points.

Administration fees also increased for late fees.

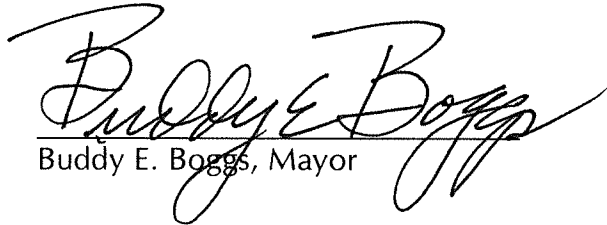
Town Manager Tencer expressed to Council members, Town will deplete our General Fund if we keep borrowing against it. Which may last 2 more years if keep same pattern of borrowing to cover funds as last year \$188,00.00 was borrowed for 2017-2018 budget. We must either have more development or raise taxes.

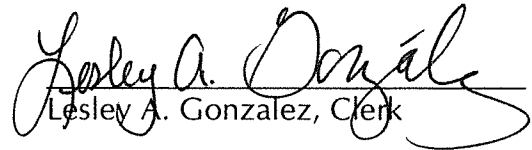
Mayor Boggs thanked Town Manager Tencer, Lesley Gonzalez and Wanda Baldwin for their time and efforts.

8:30 pm

Councilmember Fogleman made motion to adjourn.

Motion carried 5-0.


Buddy E. Boggs, Mayor


Lesley A. Gonzalez, Clerk