

SPECIAL MEETING

The Town Council of the Town of La Grange, North Carolina met in a Special Meeting at the Town Hall on June 8, 2009, at 6 p.m. with the following present:

Mayor Woodard H. Gurley; Mayor Pro Tem Bobby Wooten; Council Members Larry Gladney, Elliott Sutton, George Koonce, Gregory Rouse and Clifton Harrison; Town Manager, John P. Craft; Town Clerk, Nelda H. Johnson, CMC.

Absent: George Jenkins, Jr., Town Attorney

Guest: 2

Before the meeting began Manager Craft gave a short presentation on the beginning stage of the Town's new website and links being designed by Alter Imagining. The home page showed a picture of the riding stables located on the edge of Town. Council Members were receptive of the picture representing La Grange. Manager Craft stated that various pictures would be displayed each time a person visited the website.

Manager Craft informed the Council that during the May 4, 2009 meeting, the Council as the Town's Board of Adjustment, heard a case from Wooten Oil Company concerning a drive-thru at Big Daddy's Grill on Wooten Street. The Council voted for the property owner to pave the drive-thru. The property owner has now stated that the paving would cost about \$8,500 and has asked to come back before the Council. The owner was informed that his procedure was to appeal to Superior Court on the decision, but 30 days had already elapsed and the decision was final. The property owner is requesting to come before the Council again to discuss potential changes or an alternate proposal to the decision. The Council was receptive to hearing the case again in six months.

Mayor Gurley informed the Council Members that he had received information concerning a refueling mission from Seymour Johnson Air Force Base and everyone would have the opportunity to fly on this mission. All that was needed was their name, title, address and telephone number. Mayor Gurley asked for the Council Members that wished to participate to give their name to the Clerk so the proper person at SJAFB could be notified.

Mayor Gurley called the meeting to order and turned the discussion of the proposed FY 2009-2010 Budget over to Manager Craft.

Before beginning review of the proposed budget, Manager Craft introduced Chris Munier who is employed by the Town as a summer intern. Chris is in the process of earning his MBA.

Manager Craft began by stating that he hoped that the Council Members had reviewed the proposed budget with the line by line expenditure items for each department and other information that had been provided earlier. Manager Craft gave highlights of the budget as follows:

- Recommended decrease in Tax Rate from \$0.50 per \$100 in valuation to \$0.45 (No dollars and forty-five cents) per \$100 valuation with a revenue neutral rate of \$0.425 per \$100 valuation. This is due to County wide revaluation of tax values (old values 8 years old). Revaluation resulted in approximately 19% increase in values in La Grange.
- Increases in all funds attributed to Sutton Acres Construction Costs
- Increased personnel costs
- Increase water purchase costs due to contract with the Town of Farmville
- First full year that includes the rate increases implemented by NCEMPA last year
- Budget plans for reduced Sales Tax Revenues
- Budget plans for reduced revenues from Powell Bill
- Budget plans for reduced revenues from investment income

- Budget establishes a \$450 grave opening and closing fee
- Recommend a \$1,500 deposit for commercial customers who don't choose the prepaid option, once available
- Significant reduction in expenditures within the Police Department. Savings in Police Department estimated to be \$126,504 as compared to the amended 2008-2009 Budget
- Significant reduction in health insurance costs within the line items, solely due to the fact that Police Department insurance costs are included in LCSD Contract; overall, 11% increase in health insurance costs
- Continue Marketing Campaign Funding
- Continue funding demolition of dilapidated structures
- Includes \$45,000 for construction of Sprayground, if PARTF Grant for park construction is not awarded. Budget will have to be amended if PARTF Grant is obtained.
- Continue Clean Water Management Trust Fund (CWMTF) Grant project
- Includes increase to cover increased solid waste fees
- Includes a recommended \$1 per month per account increase to water flat rate charges
- No increases are proposed in either Sewer or Electric rate schedules
- Non-Profit Funding and Non Profit Funding Policy
 - Includes \$5,000 for Recreation Association
 - Includes \$21,700 to continue funding of Library
 - Includes \$500 for Arts Council
 - Includes \$4,000 for Boys & Girls Club (Recommended to be non-committed until the Club reaches their financial goal – less \$4,000)
 - Includes \$500 for Boy Scouts
 - Includes \$5,500 for Council on Aging (building, utilities, maintenance and programs)
- Non-Profit funding appropriates to a total of \$40,300, which equates to \$0.04 of the Town's \$0.45 in tax revenues (or 11%)

Manager Craft reviewed the overall budget expenditures by percentage of each Fund and Capital Project.

➤ General Fund	\$1,782,564	18%
➤ Water & Sewer Fund	\$2,762,085	29%
➤ Electric Fund	\$3,899,115	41%
➤ Re-Use Project	\$1,155,625	12%

GENERAL FUND

GENERAL GOVERNMENT

- Overall decrease in department
 - Primarily due to fact that the previous year included an appropriation to demolish building downtown and build parking lot.
 - Includes \$5,000 for marketing campaign
 - Includes \$15,000 for demolition of dilapidated structure removal
 - Includes 2.5% COLA increase for Council Members

ADMINISTRATION DEPARTMENT

- Overall decrease in department
 - Primarily due to reallocation of salary expenses

BUILDING INSPECTIONS DEPARTMENT

- Overall slight increase in department]
 - Primarily due to cost of living adjustment

POLICE DEPARTMENT

- Dramatic decrease in expenditures due to savings realized because of Law Enforcement Services Contract with Lenoir County
- Includes funds for insurance, utilities, telephone, and building maintenance

FIRE DEPARTMENT

- Slight decrease in expenditures due to the fact that Chief David Holmes reduced his requested funding level from Town in light of current economic conditions
- This portion of the budget has been previously approved by Town Council

STREET DEPARTMENT

- Major increase primarily attributed to funding approved and allocated for the construction of Sutton Acres Phase II, Section 3
- Does not include funding for storm drainage improvements, as funding is directed to Sutton Acres for this year
- Includes funding for retiree health insurance
- Recommended delaying the Boundary Street Storm Drainage Project until next FY when more funds would be available

POWELL BILL FUND

- Major increase primarily attributed to funding approved and allocated for the construction of Sutton Acres Phase II, Section 3 and resurfacing of existing streets
- Does not include funding for storm drainage system improvements
- Decreased revenues are anticipated from State
- Appropriates Powell Bill Fund Balance

SANITATION DEPARTMENT

- Major increase primarily attributed to higher than anticipated tipping fees
- Fuel and vehicle maintenance are major expenditures within the department

RECREATION DEPARTMENT

- Includes \$45,000 for Sprayground construction
- Does not assume receipt of PARTF Grant due to State's budget shortfall
- Sprayground would have to be delayed to match PARTF Grant, if obtained; a budget amendment would be required
- \$5,000 to La Grange Recreation Association

CEMETERY DEPARTMENT

- Primarily contracted services expenditures for maintenance of cemeteries
- Includes new position as previously approved for Public Services for employee to open and close graves, work with Public Services Department
- Includes funds to purchase a new small backhoe/front-end loader to be used in the cemetery

Council Members asked Manager Craft to identify the expenditure line item that was assigned to the backhoe purchase.

Manager Craft quickly reviewed the expenditure line items and stated that he would report the information at tomorrow night's Special Meeting after he reviewed the proposed budget in more detail as it could be an oversight in the budget preparation.

CLINIC DEPARTMENT

- No funding, all expenditures move to appropriate departments

LIBRARY DEPARTMENT

- Continues funding at or near current levels
- Appropriates \$21,700 to operate budget
- No major Capital Expenditures
- Maintenance of building
- Utilities makes up a large percentage of budget

COUNCIL ON AGING DEPARTMENT

- \$5,500 total appropriations
- Primarily insurance and utility funding

SCOUT FACILITY

- \$500 appropriation for local programs
- Insurance and utilities

WATER AND SEWER FUND

- Increases due to three factors
 - Sutton Acres Installation
 - Increased water purchase requirements due to the Farmville Water Right withdrawal contract
 - Debt Service for Well Project
- Includes \$1.00/month increase to flat rate fees for all water accounts
- Does not included capital outlay for any equipment
- Includes limited funding for purchase of replacement automated meters, to begin the transition to AMR for some water meters, at least those who opt for Prepaid Utilities

ELECTRIC FUND

- Includes full year at NCEMPA wholesale rates implemented last year
- No capital outlay other than limited funding for finalization of AMI System
- No changes are recommended to rate schedule for electric
- Funding is included for construction of Sutton Acres Phase II, Section 3

There being no further discussion on the proposed FY 2009-2010 budget Mayor Gurley declared the Special Meeting adjourned.

Nelda H. Johnson, CMC, Town Clerk

Woodard H. Gurley, Mayor