

**TOWN OF SELMA  
SPECIAL COUNCIL MEETING  
JUNE 16, 2015**

**Present:** Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmembers Eric Sellers, Tommy Holmes, and William Overby, Town Manager Jon Barlow, and Town Clerk Cynthia Richardson.

**Others Present:** Planning Director Julie Maybee, Fire Chief Phillip McDaniel, and Deputy Clerk Brenda Thorne.

Mayor Oliver called the meeting to order at 3:30 p.m. in Jernigan Building located at 110 East Anderson Street and declared a quorum was present. She said that the sole purpose of this meeting was for discussion and consideration of the proposed fiscal year 2015/2016 Town of Selma budget.

**Discussion and  
Consideration of the  
Proposed Fiscal  
Year 2015/2016  
Town of Selma  
Budget:**

Town Manager Barlow stated that as it stands today with the budget that was presented to Council last month for fiscal year 2015/2016, the budget ordinance reflects revenues at \$18,231,640 and total expenditures including the general fund, water fund, sewer fund, electric fund, and reserve funds at \$18,591,650. He said that there is a fund appropriation of \$360,010, which balances the budget.

Town Manager Barlow stated that at the last budget presentation, there were a number of items Council wanted additional information on and what the effect those changes would be. Mr. Barlow stated that there was a request for three additional firefighters for the Fire Department. He stated that he broke that down to add one firefighter over the next three year period. Mr. Barlow stated that the first year (fiscal year 2015/2016) the net effect would be approximately \$39,000 with a cost of \$30,630 to the General Fund and a cost of \$8,783 to the Water Fund after the reduction of one part-time staff person (\$7,000). He said that the second year would include a net effect of \$58,760 to the General Fund and \$17,566 to the Water Fund; third year, \$86,890 to the General Fund and \$26,349 to the Water Fund.

Town Manager Barlow stated that he and Fire Chief McDaniel were looking at the driveway project that would be about a \$60,000 to replace the entire pad in front of the driveway. He said that there was a portion of it that could be cut and reduced that cost by \$20,000.

Town Manager Barlow stated that the Fire Department was doing all fire inspections. He said that he has increased those revenues by \$3,000.

Town Manager Barlow stated that if the Town went with VC3 for IT Services, the computer expense for the Library of \$3,000 would be deleted.

Town Manager Barlow stated that the truck that was priced for the Recreation Department was a crew cab with four wheel drive. He said

that item was reduced by \$6,000 by switching to a standard cab truck with two wheel drive at a cost of about \$19,000 (same as the Public Works truck).

Town Manager Barlow stated that the only addition to the Water Fund from the draft that was proposed was 20% of the Firefighter salary and benefits at a cost of \$8,783.

Town Manager Barlow stated that there were no changes to the Sewer Fund.

Town Manager Barlow advised Council that the \$20,000 expense for the Cost of Service Study should be deleted due to it being done in fiscal year 2014/2015.

Town Manager Barlow stated that the security gate for the Water Plant was reviewed at the last Council meeting. He said that the pricing was accurate for a manual gate; not the automatic open gate. Mr. Barlow stated that the gate was being moved to the rear of the plant. He said that it would be more for delivery of chemicals.

Town Manager Barlow stated that the Batwing Mower with delivery and set-up is going to cost nearly \$25,000.

Town Manager stated that from the Powell Bill Funds, a small enclosed trailer has been requested to keep traffic cones, stands, lights, etc. stored in one place and secured.

Town Manager Barlow stated that for a number of years the Town has been making the lease payment each year of \$1,200 to use the Boys & Girls Club parking lot. He said that the lease has expired and should be renewed if the Town wanted to continue with that arrangement.

Town Manager Barlow stated he was asked what the effect of the 1% COLA would be. He said that there was a one percent COLA in the draft. Mr. Barlow stated that based upon the Town-wide payroll, it would be about \$28,000 in salaries and about \$5,000 in additional taxes such as FICA, Medicare, and retirement.

Town Manager Barlow stated that there was a brief summary of the items that came up at the original presentation. Mr. Barlow asked Council if they had any questions.

#### Fire Department Staffing

Councilmember William Overby stated that he wanted to go back to the firemen.

Town Manager Barlow stated that the implementation could be done three years in a row taking it one year at a time consecutively. He said that would be a determination by Council each year.

Councilmember Overby asked if that was the only option put on the table.

Town Manager Barlow stated that was the best option if they wanted three. He said that there were a host of other options that they could go with.

Mayor Oliver stated that this fiscal year 2015/2016 budget and what Council approves is only for this fiscal year. She said that there was no commitment to the other years.

Councilmember Overby stated that he could not say that. He said that three additional staff members have been projected for three years in a row.

Mayor Oliver stated that it was just a scenario to get to Fire Chief McDaniel's plan.

Town Manager Barlow stated that you are not adopting any future expenses into the budget for fiscal years 2016/2017 or 2017/2018 for additional staff. He said that the only thing they are looking at now is fiscal year 2015/2016.

Councilmember Overby stated that he would like to see some other options, because a ghost is being left for him to think on.

Mayor Oliver stated that year-to-year, Council takes a look at Fire Department staffing needs to better understand and receive good data from Fire Chief McDaniel over the course of the year how the one additional staff member did, and for him to provide options for fiscal year 2016/2017. She said that Council would take lessons learned and tweak as necessary.

Councilmember Overby stated that he wanted to see some more options.

Town Manager Barlow asked what other options.

Councilmember Overby stated others that were proposed and put on the table.

Town Manager Barlow stated that this was like Capital Planning by looking at people, equipment, and projects. He said that this was a plan; it is a guide.

Councilmember Overby stated that he wanted to see other options. He asked what were the other options that were put on the table. Councilmember Overby asked what was the benefit, one full time employee with ten others?

Town Manager Barlow stated that Council could divvy it up any way they want. He said the comment was ten part-timers for the night shift, which was an option at \$50 a shift. Mr. Barlow stated that would be an administrative headache and a nightmare to keep up with individuals' schedules changing. He said that a full-time person would give an immediate impact with dedicated personnel here, because that is their full-time job. Mr. Barlow stated that they are trained at a different level. He said that if Council wants this department to grow, a full-time position is the best way to go instead of continuing to rely on volunteers and part-time personnel. Mr. Barlow stated that it was his opinion that what was presented to Council would be the best way to go.

Councilmember Sellers stated that this needed to be addressed in some way. He said that they would look at what options are on the table. Councilmember Sellers stated that Council should be aware that more coverage in some way is badly needed, but the only way to do that was to have more people.

Town Manager Barlow stated that the budget impact of three additional personnel was pretty significant. He said that what was being proposed would allow Council to do a little at the time by adding one person this year. He said that next year, the Town could be in a position to go ahead and add both positions, or Council could skip a year if they felt it was necessary.

Councilmember Overby asked Councilmember Sellers if he was asking to see other options.

Councilmember Sellers stated not for this year. He said that moving forward, Council needs to look at the options. Councilmember Sellers stated some things were taken out of the Fire Department's budget so they could get some personnel. He said that Council is not obligating themselves to anything this year. Councilmember Sellers stated that what they approve for this fiscal year has no bearing beyond fiscal year 2015/2016.

Councilmember Holmes stated part-time employees do not have benefits, where full-time employees do. He said that his understanding when Council first started discussing this was that they were going with part-time employees. Councilmember Holmes stated that based on the Fire Department's reports, they only have two to three structure fires a month. He said that they mostly run first responder calls.

Fire Chief Phillip McDaniel stated that the original budget proposal was an either/or situation. He said that the full-time staff was the way to go, but knew it was expensive. Chief McDaniel stated that Selma was light years behind its competitors. He said the other option was if the Town could not do a full-time staff person, to do one volunteer (not part-time)

staffing at night. Chief McDaniel stated that the Fire Department does not have those ten volunteers. He said that they have to be recruited, and the Town has to provide gear for them. Chief McDaniel stated that was an option to get one more person for night time to provide three at night. He said this position does not help during the daytime or with workloads. Chief McDaniel stated this puts another body on the scene where now, there are only two, which is a paid fireman and one volunteer. He said this was an option, but definitely was not a preferred option. Chief McDaniel stated they could come close for the same amount of money with the third person. Chief McDaniel recommended to go with at least one paid full-time staff person for the Fire Department. He said that there are rural fire departments that run 200 to 300 calls a year that have more staff than Selma. Chief McDaniel stated that Selma runs 900 to 1,000 calls annually.

Mayor Oliver asked for clarification of the equipment that would have to be purchased for each new firefighter.

Chief McDaniel stated that every firefighter, whether they are full-time, part-time, or volunteer must have a minimum set of gear, which would cost about \$2,500 per body. He said that there was money in the proposed budget for five sets of gear.

Mayor Oliver stated that she was fine with the one full-time staff position that was proposed for this year with no commitment to future years. She said that this seemed like the best way to go from a staffing prospective, and from a performance perspective.

Councilmember Sellers stated that he agreed.

Mayor Pro-Tem Lacy stated that what was being proposed for fiscal year 2015/2016 was the way to go.

Councilmember Holmes recommended not going with the one additional staff person.

Mayor Oliver asked if they needed to vote.

Town Manager Barlow stated that Council at some point in time would vote to approve or deny the Budget before them. He said that they did not need to vote on each individual item.

The consensus of Council was go with the option that was being presented, which was for the addition of one full-time firefighter for the Fire Department.

Councilmember Sellers stated that Council needed to make a general statement just so it is out there for a matter of record. He said that anyone looking at the budget, and does not look at it in detail, would think that it

has increased by \$1.1 million dollars. Councilmember Sellers stated that they needed to put a blanket over it so people would understand that the General Fund was up \$500,000 with \$440,000 being in a new building. He said that normally the Town's budget does not increase much more than two to four percent a year; however, this year it has gone way up because of increased revenue for the new building, increased revenue in the Sewer Fund, and increased revenue in the Water Fund. Councilmember Sellers stated that Council and Administration need it to be understood that they were not increasing the budget a million dollars.

Town Manager Barlow stated that there were a few things that were driving the increase in the budget. He said that things that were in the fiscal year 2015/2016 draft budget that was not in last years were the Town Hall Project at \$440,000; the IT Project at \$124,000; Capital Purchases with no debt – two trucks, service truck, batwing mower at \$140,000; the second phase of the salary implementation at \$115,000; the 1% COLA at \$33,000; Powell Bill reserve – paving of Winston Circle and storm drain projects, \$123,000 over what the Town received annually; and new personnel.

#### Boys & Girls Club Parking Area Contract

Mayor Oliver asked if there was any discussion regarding the Boys & Girls Club parking lot.

Councilmember Overby stated that he was not in favor of renewing the contract for the Boys & Girls Club parking lot.

It was the consensus of Council to not renew the contract for parking area in front of the Boys & Girls Club.

#### COLA (Cost of Living Adjustment)

Councilmember Overby stated that from day one that he does not like percentage increases across the board. He said that he was not in favor of the proposed 1% COLA. He said that the top guys were getting the money, where the bottom people are not getting much of anything. Councilmember Overby stated that someone making \$28,000 annually would only get a \$280 annual increase, while someone making \$97,000 would receive a \$970 annual increase. He said that he was against the 1% across the board.

Mayor Oliver stated that one thing Council needed to keep in mind was what COLA is. She said that it does not look at individual performance or individual salaries. Mayor Oliver stated that it starts at the national level and it is cost of living. She said the assumption was when we do an across the board, which is keeping things level across all the others, it does give more to different people. Mayor Oliver stated that as it is generally applied, Social Security for 2015 would be giving a 1.7% increase. She said that they are not looking at who might need it more. She said that the

increase was based on it costing 1.7% more to live than the previous year. Mayor Oliver stated that it was the same for everyone.

Councilmember Overby stated that he did not know too many people who gave cost of living raises anymore.

Councilmember Sellers stated that he had no issue with the cost of living adjustment helping to determine the pot, but the pot should be determined by performance. He said that he understood that ranges have to change sometimes, and if someone is at the very minimum, then that employee would get the increase. Councilmember Sellers stated that his point was that cost of living is what the ranges should go up to every year; however, it does not mean that an employee's range should go up or down; it is based on their performance. He said that Council could determine what the pot should be, and COLA should affect the pot, but how it is distributed individually should be individually.

Mayor Oliver stated that she thought cost of living should be regardless to performance. She said that in the past due to the lack of merit, COLA became the supplemental salary piece. Mayor Oliver stated that this year, Council was trying to redefine longevity to really be longevity. She said that if Council believes they really need a COLA and look at from a COLA perspective, then come over and implement the merit system next year. Mayor Oliver stated that would bring in the individual performance piece. She said that she doesn't think of individual performance and COLA together.

Councilmember Sellers stated that Council was still trying to implement the payroll study to get salaries to places they should be. He said that what he would be interested in was the total percentage that the entire payroll was going to increase to. Councilmember Sellers stated that it would be larger than 1%, because they were going to try to implement those changes.

Mayor Oliver stated that it would be the figures they were given by Town Manager Barlow of 1%.

Councilmember Sellers stated that Council was implementing Phase 2 of the Salary Study. Councilmember Sellers asked Town Manager Barlow if that 1% was in addition to the salary cost.

Town Manager Barlow stated that was correct.

Mayor Oliver stated that the 1% according to the notes was \$28,000 in salaries and about \$8,000 for benefits.

Town Manager Barlow stated that the Town has a \$2.8 million payroll with 1% being \$28,000.

Councilmember Sellers stated that whatever the increase was it is already in the budget because they Council was trying to implement the pay study, and 1% on top of that should be a pot. He said that he understood that 1% was cost of living, but truthfully, if you put someone on probation they should not get a raise. Councilmember Sellers stated that he understood that the cost of living increased, but if someone is on probation, they are not performing at a level to receive what they are getting, and does not need a raise. He said that he does not like anything across the board whatsoever.

Mayor Oliver stated that if COLA is truly based on these financial indexes, such as Social Security recipients, federal employees, etc., it is across the board as a general rule. She said that the Town had not done that, and had been using COLA as a salary supplement.

Councilmember Sellers stated that you are asking for a certain amount of funds to be merit and a certain amount of funds to be COLA. He said that he was looking at it as all merit.

Mayor Oliver asked if they had enough time to back out and recalculate the ranges for all the employees.

Town Manager Jon Barlow stated that payroll was in a year of transition. He said that it was Council's desire to do away with COLA, and go to a merit performance evaluation system. Mr. Barlow stated that the 1% budgeted for this year was to help make that transition since there was not a merit pot to work with this year. He said as they are transitioning, Council was modifying the longevity plan that had become to be considered income, and asked Council to take that into consideration.

Councilmember Sellers stated that what he was trying to say was that he did not want to see in the future everybody getting a flat percentage increase each year.

Town Manager Barlow advised Council that they were in a very competitive environment. He said that the Town was competing to attract and retain really good employees.

Councilmember Overby stated that July 1, 2015 starts the new fiscal year. He said that the merit system needed to be completed and in place by the end of fiscal year 2015 so that you can budget for fiscal year 2016.

Town Manager Barlow reminded Council that they were implementing the second portion of the reclassification study to be competitive, and advised that in five years, he did not want to see the Town falling behind again.

Councilmember Sellers stated that if Social Security was giving a 1.7% cost of living adjustment and the Town is giving a 1% COLA would the Town be falling behind again.

Town Manager Barlow stated that in the draft budget, the second phase of the pay study was implemented with the 1% COLA being based on that.

It was the consensus of Council to approve the 1% COLA as proposed in the draft budget for fiscal year 2015/2016.

Mayor Oliver stated that completed the items on the list, and asked if there were other items for discussion.

Town Manager Barlow stated that at the end of the budget discussion and presentation, there were Capital Improvement Projects (CIPs) in the rear of the package under indexes nine and ten. He said that this was for long-range forecasting and equipment projects.

#### Security Gate for Water Plant

Councilmember Holmes questioned the cost of \$5,000 for an electric security gate for the Water Plant.

Town Manager Barlow stated that cost was for a manual gate. He said that an electric gate would cost more.

Councilmember Holmes asked why they would need an electric gate for a delivery person once a week or once a month.

Town Manager Barlow stated that was why they went with a manual gate.

#### Fee Schedule Changes

Town Manager Barlow stated that they were being presented with a copy of the Fee Schedule for fiscal year 2015/2016. Mr. Barlow reviewed the following changes with Council.

- Page 1, Animal Control – Removal of \$5.00 Capture Fee
- Page 8, Library – Change Lost Library Card Fee to \$1.00, and deleted the cost of colored copies and faxes
- Page 9, Parks and Recreation – Added a \$50.00 Refundable Deposit for Football Uniforms
- Page 10, Police Department – Taxicab renewal every three years

Town Manager Barlow stated that the Fee Schedule would be adopted as part of the fiscal year 2015/2016 Town of Selma Budget.

Councilmember Holmes asked if the late fee on utility bills was dropped back from 15% to 10%.

Town Manager Barlow stated that it had been changed.

#### New Personnel

Councilmember Holmes questioned how many new personnel would be hired under the new budget.

Town Manager Barlow stated that two part-time positions were being combined into one full-time position with the addition of a new position for the Finance Department, one Utility Maintenance Crew Leader position in the Water Department, and one full-time Firefighter position in the Fire Department.

Councilmember Sellers stated they were all sensitive to the fact that several years ago the Town's financials became strained and had to trim back; therefore, Council was cautious and conservative regarding fixed costs.

Councilmember Holmes questioned the additional staff in the Finance Department.

Finance Director Kim Batten advised that this position was for an Accounting/Billing Technician, which would be a new full-time position that would assist with the prepay accounts.

Councilmember Sellers asked if they had considered someone part-time for that position. He said that the auditors have gotten on the Town each year for not having checks and balances in place, but at the same time, understood that Selma was a small Town and could not do everything larger Town's do.

Town Manager Barlow stated that position would address some of the audit issues, and the growth in the prepay, which is time consuming and tedious with the Town's current software. He said the new person would be assisting the Billing Supervisor and helping with Customer Service by taking over the prepay program.

Mayor Oliver stated that she understood the need for additional personnel, but was debating part-time versus full-time for the new position.

Town Manager Barlow stated that he has seen the volume of work, and the notes that the Town received from the auditors in the past. He said that the auditors have been pointed out staffing issues in the Finance Department for several years.

Councilmember Holmes stated that he would rather the position start out as part-time, and change it to full-time later on if necessary.

Councilmember Overby asked what experience would the person be bringing in with them.

Town Manager Barlow stated that is what is unique about municipal billing. He said that you do not go out into the public sector and find

someone with that experience. Mr. Barlow stated that the Town has someone who could step in. He said that there are only 32 municipalities in North Carolina that offer electric services.

Mayor Oliver asked Mr. Barlow to remind Council what was so tedious about the prepay. She asked if the Town was collecting the right amount in the prepay deposit if much more time is spent on prepay versus regular utilities.

Finance Director Batten stated that Council did increase the prepay deposit from \$50 to \$100 to match the water and sewer deposits. She said that with the software that the Town currently has, it takes 30 to 45 minutes in the system to load one customer for prepay. Ms. Batten asked Council to consider approval of the full-time position due to the work load with five people.

Mayor Oliver asked if Finance could use a part-time person and a temporary person.

Ms. Batten stated that this position would be a promotion for an employee already within the Finance Department. She said that this person is already trained and ready to go.

Councilmember Overby stated that his concern was if the new IT company, VC3, could open up application time with new software, would they need that person.

Town Manager Barlow stated that he thought the demand would still be there.

It was the consensus of Council to go with staff's recommendation for a full-time Accounting/Billing Technician position for the Finance Department.

#### Cemetery

Councilmember Overby stated that he would like to discuss the consultant for the wall at the Cemetery.

Town Manager Barlow stated that the consultant was for a ditch study of the cemetery, not the wall. He said that they were talking about two different projects. Mr. Barlow stated that the wall project would be advertised for bids, and those figures would be brought back to Council before any work began.

Councilmember Overby stated that the ditch in the cemetery needed to be tiled and covered before more erosion took place. He said that if the Town dumps a lot of water in the back, property owner, Mr. Sonny Howard, needed to be involved.

Councilmember Sellers stated that a study of the drainage in that area has been done and he still had a copy of that study. He said the project was originally priced at \$2.2 million. Mr. Sellers stated that he would provide that study to anyone who would like to see it.

Mayor Oliver asked if they wanted to leave what was being budgeted for the ditch as a placeholder until Council had further discussions.

It was the consensus of Council to leave the budgeted funds as a placeholder for the ditch in the Cemetery until they were able to have further discussion.

Town Manager Barlow offered a couple of options to Council regarding the budget. He stated that Council could adopt the budget ordinance incorporating the changes that were made tonight, or staff would make recommended changes tonight and schedule a meeting for another date.

A motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to approve the Town of Selma Budget for fiscal year 2015/2016. Voting Yes: Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, and Councilmember Eric Sellers. Voting No: Councilmember Tommy Holmes and Councilmember William Overby. Motion carried.

**ADJOURNMENT:**

With no further business, a motion was made by Councilmember Eric Sellers and seconded by Councilmember William Overby to adjourn. Motion carried.

The meeting adjourned at 4:55 p.m.

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BRENDA W. THORNE, Deputy Clerk