

**TOWN OF SELMA
WORK SESSION MEETING
MAY 28, 2015**

PRESENT:

Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmembers Eric Sellers, Tommy Holmes, and William Overby, Town Manager Jon Barlow, Town Attorney Alan “Chip” Hewett, and Town Clerk Cynthia Richardson.

**OTHER STAFF
PRESENT:**

Finance Director Kim Batten, Planning Director Julie Maybee, Police Chief Richard Cooper, Parks and Recreation Director Joe Carter, Fire Chief Phillip McDaniel, and Deputy Clerk Brenda Thorne.

Mayor Oliver called the meeting to order at 6:10 p.m. and stated that there was a quorum present.

**DISCUSSION OF
PROPOSED FISCAL
YEAR 2015/2016 TOWN
OF SELMA BUDGET:**

Town Manager Barlow presented to Council a Power Point presentation regarding the fiscal year 2015/2016 draft budget for the Town of Selma. Mr. Barlow thanked staff for getting this information put together. He said that a lot of effort was put into getting this together. Mr. Barlow stated that the budget book was very similar to last year beginning with the budget ordinance. He said that it was a great help throughout the year Council identifying things that were important to the Town.

Town Manager Barlow stated that he would begin at Chapter 4, which would provide insight and background as to where the trends are going. He said that before looking forward, he would like to look back to see where things are, and where they are headed. Mr. Barlow stated that he would point out some concerns and successes.

Town Manager Barlow stated that the fund balance for the General Fund was looking better and was trending in the right direction. Mr. Barlow stated that the information that he was presenting was for the timeframe of 2009/2010 to 2014/2015. He said that growth looked good and was consistent. He said that the General Fund was looking stronger. Mr. Barlow stated that the Town was not at the self-imposed fund balance objective of 32%, but the last fiscal year was up to about 23%. Mr. Barlow stated that he expected to have a decent year this fiscal year.

Town Manager Barlow stated that the two largest sources of revenue for the General Fund are property taxes and sales tax. He said that 2011 showed a slight increase in property taxes, and believed that was due to a re-evaluation by Johnston County. Mr. Barlow stated that sales tax was consistent, but there was no growth. He said that sales tax revenues were flat at about \$600,000 a year.

Mayor Oliver stated that the General Fund balance had grown a couple hundred thousand dollars each fiscal year, and asked if he expected the same growth this fiscal year.

Town Manager Barlow stated that as the fiscal year end approaches, he felt that \$200,000 would not be out of reach. He said that there was one thing that might affect that, but he would review that when he discussed the revenues.

Town Manager Barlow reviewed the Water and Sewer revenues for the same time period. He said that the Water Fund over time has remained the same. Mr. Barlow stated that the Town was selling about the same number of gallons of water each year. He said that a slight adjustment was made in the tier structure last year, which gave the Water Fund a slight increase. Mr. Barlow stated that the Sewer Fund has had two rate increases this year and one last year. He said that a direct result of those rate increases was the growth of \$1.8 million in sewer revenue.

Mayor Oliver stated that citizens might look at that slide and question if the Town is getting enough revenue to maintain and grow the water system. She said that the fund was relatively flat; however, costs were going up. She said that the Johnston County Commissioners has approved a \$150 per ton increase in sludge processing in their budget that would affect the Sewer Fund. Mayor Oliver stated that both funds do not reflect an increase in the upcoming budget year.

Town Manager Barlow stated the Water Fund has made an incredible turn around this fiscal year by controlling costs. He said there has been no growth in the sale of water. Mr. Barlow stated that the Town might need to consider the possibility of an expansion project of the water plant in the near future, which would be a significant capital investment. He said that the Water Plant has a million gallons per day yield, and the Town has been pushing the maximum.

Mr. Barlow stated that the Sewer Fund has not gone in the right direction in the last couple of years. He said that there was a tremendous loss last fiscal year and the Town would have another small loss this fiscal year. Mr. Barlow stated that he expected for the Sewer Fund to have a loss at the end of this fiscal year of approximately \$650,000 worth of negative net assets.

Councilmember Overby asked if those figures would turn around as the Town begins work on sewer lines.

Town Manager Barlow stated that if you look at the financials from this year compared to the last couple of years, Council would see that the

Town was way ahead of previous years on a cash basis. He said that the one big expenditure in the Sewer Fund was the wastewater treatment costs.

Councilmember Overby stated that what he was seeing was rain water.

Town Manager Barlow stated that it was directly related to rain water. He said that every gallon that could be taken out of inflow would save the Town money in wastewater treatment.

Councilmember Overby stated that the work planned for this year should turn some of this around.

Town Manager Barlow stated that the Noble Street Interceptor Project was a great project and it should help with the inflow problems. He said that there is money in the Sewer Fund set aside for doing point repairs in other places. Mr. Barlow stated that they were going to do what they could to stop some of the inflow and infiltration.

Town Manager Barlow stated that the Electric Fund revenues have been flat from 2012 to this fiscal year. He said that fortunately the Electric Fund was healthy enough to carry itself through this fiscal year. Mr. Barlow stated that the timing could not have been better for the sale of the Electricities' assets and the approval of an electric rate study. He said that the revenues have been flat, while the expenditures are increasing.

Councilmember Sellers stated that two things scare him in regards to rate reduction in electricity. He said that rate reductions were a good thing; however, he was concerned about citizens hearing of a 15% to 20% rate reduction when electricity was just a portion of their utility bill. Councilmember Sellers stated that the Town needed to go down on its rates substantially, but Council needed to be careful in regards to the Electric Fund. He said that this fund has lost 60% over the past four years, and could not continue at that rate.

Mayor Oliver questioned what fund would receive the small amount of money that the Town would receive from solar farms.

Town Manager Barlow stated that those sales go to Duke Energy. He said that the Town does not receive any revenue from the solar farms. Mr. Barlow stated that there would be an increase in property taxes due to the rezoning of the property from agriculture to commercial.

Councilmember Sellers stated that he thought there was a one-time interconnection charge.

Town Manager Barlow stated that he would check on that.

Town Manager Barlow stated that was a review of where the Town stands in each of the major funds. He said he hoped this would give Council an understanding of the revenues and expenditures for upcoming 2015/2016 fiscal year.

Town Manager reviewed the draft 2015/2016 Town of Selma Budget with Council.

Infrastructure Needs and Capital Projects:

- Noble Street Sewer Interceptor Rehabilitation Project
- Town Hall Renovation Project
- Fire Station Driveway Repair
- Paving of Winston Circle

Sale of Electric Generation Assets to Duke Energy:

- Reset Rates based on Revised Wholesale Rates

Personnel:

- The second phase of the Salary and Classification Study recommendations are incorporated into this budget including a 1% COLA
- The budget also includes funding for two new positions in areas for the improvement of service delivery: Water and Finance
- Merit Plan Implementation – A new merit based employee system will be implemented in FY 2016/2017
- Health Insurance Premium Renewal – Annual Health insurance premiums are decreasing 2.4%
- Longevity Plan – Draft budget includes Option #2

Economic Development:

- Land Development Code Rewrite

Technology:

- Outsourcing of Town IT services to include hosted desktop solutions
- Recreation – On-Line Registration Software

Finance:

- Banking Services – The Town's 5-year banking services agreement with First Citizens has expired. New banking services are being identified for FY 2016/2017
- Worker's Compensation Insurance – Due to an extremely high experience modification factor, the Town's Workers' Compensation insurance renewal is increasing 45%
- Property & Liability Insurance – 10% rate reduction

Mr. Barlow reviewed the following budget highlights with the total of all funds being \$18,591,650.

General Fund (10)	\$5,368,840
Water & Sewer Capital Reserve (21)	\$41,000
Electric Capital Reserve Fund (24)	\$135,000
Water Fund (60)	\$1,287,750
Sewer Fund (61)	\$2,307,750
Electric Fund (63)	\$9,091,300

Mr. Barlow stated that the fiscal year 2015/2016 budget was about a million dollars greater than last fiscal year; however, there were a couple of large projects being funded.

Mayor Oliver stated that revenues and property taxes were pretty flat and questioned how the Town could be increasing expenditures by one million dollars.

Town Manager Barlow stated that there were several issues driving that increase. He said that the Town Hall Project was a big portion of the increase at about \$400,000; \$128,000 transferring from the Powell Bill Fund for Powell Bill projects around Town; and Computing Services about a \$125,000 project.

Mayor Oliver asked if there were things in regards to supporting revenue that needed to be cut back on or not approve.

Town Manager Barlow stated that a resolution was adopted to get financing for the renovations at Town Hall. He said that there were reserves in the Powell Bill Fund that would pay the Powell Bill Projects. Mr. Barlow stated that there are sources of revenues to pay for those projects. He said that the property tax rate of \$0.51 is staying the same; however, Council needed to take a look at increasing that rate in the near future. Mr. Barlow reviewed the following tax valuations that he obtained from Johnston County.

Real Personal Property	\$372,496,109
Public Utilities	\$25,321,733
Motor Vehicle	\$26,022,782
Total Valuation	<u>\$423,840,624</u>

Mr. Barlow stated that the estimated property tax based on this tax valuation would be \$2,161,587 at \$0.51 per \$100 valuation. He said that the Town could only budget the percentage rate that was collected the previous fiscal year which was 99.19% or \$2,144,078.

Town Manager Barlow reviewed the General Fund Capital Projects, which included equipment over \$5,000 and projects.

<u>Capital Projects:</u>	<u>Costs</u>
○ Fire Station Driveway	\$60,000
○ IT Cloud Computing Services (Divided among four funds)	\$124,000
○ Town Hall Renovation	\$400,000
○ Rehab Stone Walls/Sign Letters at Cemetery	\$10,000
○ Ditch/Grave Erosion – Engineering Study	\$7,500

<u>Major Capital Equipment (Over \$5,000)</u>	<u>Costs</u>
○ Police Car (1)	\$30,000
○ Police Radios	\$15,000
○ Public Works P/U Truck (Split between Public Works and Powell Bill)	\$19,000
○ Batwing Mower (Right-of-ways)	\$25,000
○ Parks and Recreation P/U Truck	\$25,000

Councilmember Overby questioned how many radios needed to be reprogrammed.

Police Chief Richard Cooper stated that the Police Department has 49 radios. He said that the \$15,000 would reprogram only half of those radios. Police Chief Cooper stated that it would take about \$30,000 to reprogram all the radios. He said that the shelf life of a radio is four to five years. Police Chief Cooper stated that they have applied for a grant for the reprogramming of those radios, but there was no guarantee that they would receive those funds. He said that if those radios were not reprogrammed by October 2016, the Police Department would not be on the 911 communication system.

Councilmember Overby questioned the cost of the batwing mower. He stated that he thought it could be purchased for less than what was projected. He also questioned the cost of the Parks and Recreation truck.

Town Manager Barlow reviewed the Sewer Capital Fund for equipment over \$5,000 and projects:

Costs

- Noble Street Sewer Line Rehab Project \$1,250,000
 - \$687,000 USDA Loan/\$562,000 USDA Grant
- Annual Sewer I&I Project \$50,000
 - Various Locations
- Sewer Lift Station Pump Replacement \$25,000

Town Manager Barlow reviewed the Water Capital Fund for equipment over \$5,000:

- | | <u>Costs</u> |
|-----------------|--------------|
| ○ Service Truck | \$49,000 |
| ○ Security Gate | \$5,000 |

Town Manager Barlow reviewed the Electric Fund Capital Inventory:

- | | <u>Costs</u> |
|-------------------------|--------------|
| ○ Inventory | |
| - Transformers | \$15,000 |
| - Overhead Wire | \$6,000 |
| - Underground Wire | \$20,000 |
| - Light Fixture | \$4,000 |
| - LED Fixture | \$30,000 |
| - Decorative Lighting | \$15,000 |
| - Pre-Paid Meters (100) | \$39,000 |

Town Manager Barlow stated that under Tab #2, the summary of revenues versus expenditures revealed that expenditures were \$360,010 greater than revenues and that was where the fund balance piece came in. Mr. Barlow stated that all the funds were balanced excluding the General Fund.

Councilmember Sellers stated that this was the most prepared budget statement that they have received. He said that no one had showed Council where the Town was going up or down in the reserves and fund balances. Councilmember Sellers stated that he appreciated that effort.

Mayor Oliver stated that she also appreciated that effort. She said that in the Budget Highlights, there seemed to be missing marketing dollars to grow the Town by advertising. Mayor Oliver stated that the Economic Development Strategic Plan was in the process of being updated. She questioned if funds would be available to move forward on those recommendations.

Town Manager Barlow stated that there was an appropriation of \$3,000 under Planning and Economic Development and another appropriation of \$4,500 under non-profits.

Mayor Oliver asked Council if there were any questions regarding Tab #3 (Fees and Charges).

Town Manager Barlow stated that anything in yellow was a change to the Fees and Charges Schedule.

Mayor Oliver stated that on Page 1 under Animal Control Fees, the capture fee of \$5.00 seemed like a nominal fee for the hours spent trying to capture an animal.

Police Chief Cooper stated that he had never seen the capture fee charged. He said that a lot of the issues and charges were at the Police Officer's discretion.

Town Manager Barlow stated that he wanted to call Council's attention to Page 5 regarding the Hazardous Bulk Storage Permit. He said that this has been listed at a \$1,500.00 annual fee. He said that this charge is for each facility. Mr. Barlow stated that this was a new line item to be charged for improvements in fire protection at the tank farm.

Councilmember Overby stated that he thought on Page 4 the fees for Elections were going to be taken out since they were collected by the Johnston County Board of Elections.

Town Manager Barlow stated that this was a fee that Johnston County collects, but the Town has to set the dollar amount.

Mayor Oliver stated that the Town has input on what fee is charged, but it is collected by Johnston County. It was the consensus of Council to leave the fees as they are listed.

Councilmember Overby stated that on Page 6 there were two new fees added for Planning and Zoning.

Town Manager Barlow stated that there were two new fees added under Planning and Zoning for future land use amendments at \$100.00 each and for a flood plain permit at \$100.00.

Councilmember Sellers questioned the increase in the electric late fee increase from 10% to 15%.

Finance Director Kim Batten stated that they were trying to get citizens to pay their utility bills on time, and being added to the cut off list each month to avoid the additional \$60 charge. She said that an attorney at the UNC School of Government recommended increasing penalties on the front end versus trying to collect more on the reconnection fees. Ms. Batten stated that this would encourage citizens to pay up front instead of being charged a reconnection fee ten days later.

Councilmember Holmes recommended leaving the electric late fee at 10%.

Councilmember Sellers questioned what percentage of citizens have their utility bills drafted.

Finance Director Kim Batten stated that she could not give him a figure on that.

Mayor Oliver stated that sometime back, it was approved to increase the deposits for electricity. She asked if those rates could be decreased (Page 14).

Finance Director Batten stated that the Finance Department could not require an applicant to submit a social security number when applying for services. She said that the Customer Service Handbook stated that if a citizen does not provide a social security number, then they would be paying a higher deposit for utility services.

Councilmember Overby stated that on Page 9, he would like to see the cost of football to go up by at least \$10.00 for residential and non-residential citizens.

Parks and Recreation Director Joe Carter stated that was the only sport that the Recreation Department charges admittance fees. He said that parents and others have to pay to get into the game. Mr. Carter stated that the Recreation Department also requires a \$50 uniform deposit, which has worked out well. He said that when the equipment is returned, the parent would receive their \$50 deposit back.

Town Manager Barlow stated that the \$50 deposit for uniforms needed to be added to the fee schedule.

Mayor Oliver stated that the Town of Clayton nearly doubles their rates for non-residents. She questioned if it has ever been considered to double the out-of-town rates.

Mr. Carter stated that they were not trying to deter cost of participation. He said that Council was aware of the school situation. Mr. Carter stated that the Recreation Department has done several tournaments in softball and basketball over the years to increase revenues. He said that they are trying not to deter participation.

Councilmember Overby stated that on Page 10, taxicab franchise permits should reflect renewal every three years.

Councilmember Overby stated that on Page 16, he would like to understand the difference between the pre-pay plan versus the large general service. He said that the prepay decreased, while the large general service increased.

Town Manager Barlow stated that he would have that checked. He said that could have been a data entry error.

Council began review of Section 5 of the proposed fiscal year 2015/2016 Town of Selma Budget.

Councilmember Overby stated that under General Fund Revenues, Line 10, the line item was increased from \$10,000 last year to \$12,600 for fiscal year 2015/2016.

Finance Director Batten stated that \$2,600 was where the Town was reimbursed for the Public Works Director Alex Fuller to attend the UNC School of Government, which a budget amendment was done for the fiscal year 2014/2015.

Town Manager Barlow stated that the Town no longer does construction permits, which has gone to Johnston County and shows a revenue of no dollars.

Town Manager Barlow stated that the citations for Code Enforcement have been included with an annual revenue of \$500.00.

Town Manager Barlow stated that Cemetery sales were low this fiscal year. He said those sales were high the previous year; therefore, he recommended keeping those figures on the conservative side.

Town Manager Barlow stated that a FEMA Fire Grant of \$98,000 and a Police Technology Grant were not included in this budget year.

Town Manager Barlow stated that a line item was included for \$400,000 in loan proceeds for the Town Hall Renovation Project.

Town Manager Barlow stated that the Electric Fund shows a transfer of \$278,000 this year and \$175,000 next fiscal year. Mr. Barlow stated that because of the situation in the Electric Fund, he would recommend not making the \$278,000 transfer to preserve the Electric Fund.

Council unanimously concurred.

Councilmember Overby stated that a new line item was added for the Richard B. Harrison Senior Citizens' Center.

Town Manager Barlow stated that according to their lease, the Town is to receive \$1.00 a year.

Town Manager Barlow stated that there was a transfer from the Powell Bill this year for the purchase of a snow plow. He said that there were five locations in Town that storm water drainage improvements are proposed. Mr. Barlow stated that the paving of Winston Circle and a portion of the Fire Department driveway were included in the Powell Bill for fiscal year 2015/2016. He said that a part of the Fire Department's driveway was in the road right-of-way; therefore, Powell Bill funds could be used.

Mayor Oliver asked if the Town receives \$1.00 per year for the Boys and Girls Club agreement, and Mayor Oliver questioned if that needed to be shown from an audit prospective.

Finance Director Kim Batten stated that she was unaware of Boys and Girls Club revenue, but she stated that she would research. Ms. Batten questioned if the Town was paying \$1.00 for the West Street building owned by Selma Housing Authority. She said that she has sent the Harrison Senior Center an invoice for \$1.00 for their use of the Harrison building, because it is a contract.

Town Manager Barlow reviewed the Governing Body Expenditures for the Town of Selma.

Councilmember Overby asked for clarification as to why the Moccasin Creek expenditures keep climbing each year.

Town Manager Barlow stated that the Town has to pay a percentage of the value of life of that ditch and the maintenance. He said that the Johnston County Tax Assessor sets the value of the property in that area.

Town Manager Barlow stated that the next item for review was expenditures for the Finance Department.

Councilmember Overby questioned if the new permanent position was a full time position at \$40,000.

Town Manager Barlow stated that position was in the budget now, but was divided among two \$20,000 part-time positions. He said that he wanted to make it a full-time position. Mr. Barlow stated that the new position of \$35,000 would be split four ways.

Town Manager Barlow stated that under Public Buildings, Brack Wilson Park had just this past week undergone a major resurfacing and renovation of the dugouts. He said that the picnic shelter needed to be finished.

Councilmember Overby questioned what the new line item for Capital Outlay for Finance Expenditures was for.

Town Manager Barlow stated that he thought that expense was for the replacement of a HVAC unit.

Finance Director Kim Battens stated that when the Town purchased the First Citizens Bank building, the Town had to pay Johnston County property taxes on that building.

Town Clerk Cynthia Richardson stated that Public Works Director Alex Fuller had some concerns regarding the roof at the Train Depot.

Town Manager Barlow stated that there was a 46% rate increase on the Town's Workers' Compensation Policy.

Councilmember Overby stated that a new line item was added for bereavement.

Town Manager Barlow stated that when a family member of staff passes away, a flower has been sent from the Town. He said that this line item was created so that it could be seen in the budget.

Mayor Oliver stated that under non-profit organization support, she thought that the American Legion support for flags was a one-time deal.

Councilmember Seller stated that he thought that due to the Cemetery being property of the Town, the Town should step-up and fund the \$400 needed for flags posted on Veteran gravesites.

Councilmember Overby stated that last year the Boys and Girls Club was funded at \$2,000 and should be funded at \$1,000 in future budgets.

Councilmember Sellers stated that expenditures for the Boys and Girls Club was worth more than what the Town was spending.

Council concurred with the expenditure to the Boys and Girls Club.

Town Manager Barlow stated that the Planning and Economic Development expenditures included contracted services, recertification of Oak Tree, and the rewrite of the Development Code Ordinance.

Councilmember Overby questioned the expenditure for equipment of \$29,000.

Finance Director Kim Batten stated that the Police Department received a grant in the amount of \$15,000. She said that due to the receipt of that grant, the line item had to be increased.

Councilmember Overby stated that the personnel of the Fire Department needed to be looked at before something happens for which the Town would be accountable.

Fire Chief Phillip McDaniel stated that volunteers are on a stipend. He said that the Fire Department has had success over the years with volunteers; however, the volunteer program was not doing what it needed to do. Chief McDaniel stated that the ten positions would be a good band aid, but could not be started immediately and would be a step in the right direction. He said that the three positions would guarantee that someone is there. Chief McDaniel stated that this would still be a small crew, but would be a step in the right direction.

Mayor Oliver asked if there was something between full-time and volunteer that could be implemented.

Fire Chief McDaniel stated that last year, the part-time fire inspector position was eliminated. He said that during the night, it was hard to find someone at \$10.00 an hour for 12 hours at night away from their family. Chief McDaniel stated that most of these firefighters are already full-time in another position.

Fire Chief McDaniel stated that the Fire Department does a lot of safety training around the Town, which includes industries, groups, and Daycares. He said that they do fire prevention with Sysco, Sona, and JCATS.

Councilmember Holmes stated that they needed to work on the part-time positions.

Mayor Oliver stated that the ten additional part-time positions would be \$25,000; and a full-time position would be \$30,000.

Fire Chief McDaniel stated that it takes three people to make one 24-hour position, which would be \$90,000 annually.

Mayor Oliver asked if one full-time person would be better than ten volunteers.

Fire Chief McDaniel stated that he could not answer the question at that moment.

Mayor Oliver asked Town Manager Barlow and Fire Chief McDaniel to present options at their next meeting.

Councilmember Overby stated that he wanted to review the Maintenance Temporary position.

Town Manager Barlow stated that this position was for the months of May through September and excludes weekends and holidays, and has not been funded over the past couple of years.

Councilmember Overby questioned the cost of the batwing mower for the Public Works Department.

Town Manager Barlow stated that he would review the quote for that mower.

Mayor Oliver questioned if any thought has been given to painting of the Public Works building.

Town Manager Barlow stated that in the Capital Improvement Plan (CIP), there was discussion of combining the Electric, Public Works, and Utility Departments into a better central facility.

Town Manager Barlow reviewed items under the Powell Bill and stated this item included \$60,000 for the paving of Winston Circle and storm water repairs in five locations.

Mayor Pro-Tem Jackie Lacy asked if crosswalks could be included in the Powell Bill Fund.

Town Manager Barlow stated the NCDOT has strict standards and guidelines regarding crosswalks. He said that the Town underwent a street marking project, and there were some places that they would not mark because the area did not meet their standards.

Councilmember Overby asked about the new line item for Traffic Control.

Town Manager Barlow stated that it was for maintenance, and he would have to get him more information on that particular item.

Town Manager Barlow stated that Recreation Director Joe Carter has requested the resurfacing of Edgebrook Park tennis courts for the past couple of years. He said that at one of the last Council meetings, it was mentioned that the playground equipment at Edgebrook was in need of repair.

Councilmember Overby questioned if the software was for the Library.

Town Manager Barlow stated that the software was more for registration of recreational events on-line.

Councilmember Overby questioned the property rental of \$1,200.

Town Manager Barlow stated that it was the parking area in front of the Boys and Girls Club building. He said that the Town uses that area for parking for athletic events.

Councilmember Overby asked Mr. Barlow to look into when that contract would expire.

Town Manager Barlow stated that for the Library, the computer expense could be included in the contract with VC3.

Town Manager Barlow stated that the remainder of the Maintenance Temporary position was included in the Cemetery expenditures.

Councilmember Overby stated that there is a group interested in installing a Veterans' Memorial at the Cemetery. He stated this should be at their expense and not the Town's.

Mayor Oliver stated that it was her understanding that they would be using the circle for the Veterans' Memorial.

Mayor Pro-Tem Jackie Lacy stated that the wall behind the circle needed cleaning and lettering replaced.

Councilmember Holmes stated that he did not see where \$10,000 needed to be spent on the wall.

Town Manager Barlow stated that the wall needed a complete redo of the façade including new stone.

Mayor Oliver questioned if that expense should come out of the ongoing Cemetery maintenance fund versus it being a new outlay.

Town Manager Barlow stated that he is making a small transfer of \$17,500 out of the Perpetual Care Funds for the stone wall and engineering study for a ditch.

Mayor Oliver questioned if the Perpetual Care Funds could be used for those expenses.

Town Manager Barlow stated that the Perpetual Care Funds could only be used for the maintenance of the Cemetery.

Councilmember Overby stated that he wanted to discuss the \$7,500 for the engineering study for a ditch.

Councilmember Sellers stated that the Town had a study done several years back. He said the problem is that the ditch runs up hill.

Town Manager Barlow stated that the Town could put ditch tile in, but the problem is running that water onto someone else's property.

Town Manager Barlow reviewed the Water and Sewer Capital Reserve Fund (Tab 6). He said that this fund was doing well. He said that the Water Revenues were flat, but consistent. Mr. Barlow also reviewed the Water Administration Expenses and Water Operations Expenses.

Councilmember Overby stated that he wanted to make everyone aware that Johnston County was increasing their fees for sludge removal to \$850 per ton. He said that the Town's budget does not reflect that increase. Councilmember Overby stated that if Johnston County approves their budget, the Town would have an increased fee.

Town Manager Barlow stated that Town has to haul sludge to the Johnston County landfill, and the Town is billed \$700 per dry ton. He said the Town was charged for its first load for 3.2 tons (about \$2,200), and the second load was at 6.79 tons. Mr. Barlow stated that the increase would be about \$1,000 for the disposal of the sludge.

Town Manager Barlow reviewed the Sewer Revenues (Tab 7), which shows the sewer rate increases implemented this year. He said this rate increase was to cover expenses in the sewer fund. Mr. Barlow also

reviewed the Sewer Administration Expenses and Sewer Operations Expenses.

Town Manager Barlow reviewed Tab 8, which included the Electric Capital Reserve Fund, Electric Revenues, Electric Administration Expenses, Electric Operations Expenses, and Electric Purchases Expenses. Mr. Barlow stated that Electric Fund is balanced on what the rates are currently. He said that when the electric study is complete, those figures would be updated.

Town Manager reviewed the Five-Year Plan 2016/2020 for the General/Water/Sewer funds (Tab 9) and the Five-Year Plan 2016/2020 Electric Fund (Tab 10).

Councilmember Holmes left the meeting at 8:45 p.m.

**DISCUSSION OF
SUMMARY OF
COUNCIL MEETING:**

It was the consensus of Council to discuss the summary of the Council meeting at a future meeting.

Council also agreed to have their next budget discussion during the June 9th Regular Council meeting.

ADJOURNMENT:

With no further business, a motion was made by Councilmember Eric Sellers and seconded by Mayor Pro-Tem Jackie Lacy to adjourn. Motion carried unanimously.

The meeting adjourned at 8:48 p.m.

BRENDA W. THORNE, Deputy Clerk