

March 19, 2009

The Middlesex Governing Body met in Special Session for a Budget Workshop in the Conference Room of the Town Hall. Mayor Luther H. Lewis, Jr. called the meeting to order at 7:30p.m. Members present were Commissioners Harold Meacombs, Fred Hough, Luke Robinson, and Derek Bissette. Commissioner J.W. McClenny was absent. Guests present were Dennis Murray, Joey Webb, Jeff Waddell, Shelly Woodruff, Kelly Woodruff and Dale Bachmann.

Administrator Bissette started with a review of salaries since it is the biggest expense. The draft budget includes a 3% cost of living increase across the board. Bissette recommended that rather than an across the board amount, that raises be given in different percentages, based on where the employee is in their pay class, job performance, and seniority. Bissette reviewed her recommendations employee by employee.

Reviewing expenditures department by department, line item by line item, Administrator Bissette advised that this budget the tightest budget she had done since she had been with the town, which is over 30 years. Also, there will be less fund balance needed to balance the budget.

Highlights in the General Fund budget totaling \$\$762,085 were as follows:

- \$1,500 included for election expense in Administration
- Physical Development/Zoning, \$20,000 included part of a Town Administrator's salary, and \$50,000 for the Bailey Middlesex Park
- \$20,000 contribution to Fire Dept. will change based on the new Nash County property valuation
- \$12,000 Capital Outlay in Streets & Sidewalks for second half of cost of the Leaf Vacuum System being purchased before June 30.
- No money in 2009-2010 budget for Wellness Park Project—it should be complete this fiscal year
- In Non Departmental, Christmas Lights will be stored by the town and installed by town employees, bringing this item down from \$\$6,747 to \$1,200. Centennial Program is over, so this item is zero.

In the Sewer Budget, Administrator Bissette pointed out that the Fund Balance Appropriation needed is \$71,475. Highlights of the Sewer Budget totaling \$318,575 were as follows:

- Manhole repair reduced from \$10,300 to \$6,000 due to the fact that some will be repaired in this fiscal year
- Sewer Charge to Raleigh was reduced from \$91,000 to \$80,000 due to the fact that our bills have been consistently lower due to reduction of I/I as a result of the Sewer Project. However, Raleigh has not notified us regarding next years rates, so we will need to look at this again. The year to date expenditure through February looks low at \$26,718 because Raleigh only bills once every quarter and this figure is only through January.

In the Water Budget, \$130,455 is needed in Fund Balance Appropriations to balance to total budget of \$470,655.

- Well and Meter Project totaling \$356,000, with approximately \$236,000 in grant from the Rural Center, leaving approximately \$120,000 for the town match.

This brings the grand total budget to \$1,651,315, as opposed to last year's total budget of \$2,463,858.

An analysis of revenue and expenditures presented by Administrator Bissette indicates the General and Sewer Funds finances appear good, but the Water Fund expenditures are over revenues by \$12,827.82, resulting in contingency funds being used this year for water. Mayor Lewis pointed out this figure is closer to \$8800 due repairs paid for a fire hydrant struck by a vehicle, which the town may go to court to recoup the cost.

The Board then reviewed a recommendation by Administrator Bissette to increase residential sanitation from \$11.75 per month to \$13.25, and business from \$19.50 to 21.00, an increase of \$1.50 per month for both. Bissette said this was the first year she could ever remember where sanitation did not support itself. After a brief discussion, it was decided to take another look at the situation after we find out what the new property tax scroll will be after the revaluation, and how this will affect the General Fund revenues.

Regarding the water rates, Administrator Bissette reminded the Board that Mike Hill with NC Rural Waster presented a study which documented that we were well below what we should be charging for water and sewer rates, and he recommended a flat administrative fee per customer to pay the debt service and increase water rates so revenues meet expenditures. She also reminded the Board that every year, the town auditor, John Anthony, advises and recommends that we go up on the water and sewer rates, and several times in the past, the town engineers have also recommended that we increase rates.

Bissette said she was told by the company that quoted the new meter project that we should see some increase in revenue after the new meters have been installed. She and Commissioner Meacombs said it would be better to go up a little each year, than to keep the same rates for years, and have a large increase at one time as the town did a few years back. Commissioner Bissette stated he was not for increasing water, sewer, or sanitation rates and will not vote for any increases. Commissioner Meacombs said he sees the need for the increases as the auditor and Rural Water has recommended. Commissioner Hough and Robinson would not commit their opinion other than to say they would go with the majority.

Mayor Lewis rapped the gavel and stated he may as well adjourn the meeting because no one would make a decision and Administrator Bissette must have some answers before she could continue to work on the budget.

Then Administrator Bissette asked the Board for direction regarding the Wellness Park Project. \$73,000 has been spent on the picnic shelter to date. If the town refuses the \$80,000 loan from USDA, the town will not get the Rural Center grant of \$20,000. After a brief discussion, everyone agreed to get the loan and grant and try to pay extra on the principal whenever possible to reduce the interest paid.

When asked about the recommended salary increases, Commissioner Bissette said he was not for any salary increases. Commissioner Hough said he was against any salary increases and that the employees and that people who have a job are fortunate that they have one. Administrator Bissette asked Hough how he could vote for \$50,000 for a park in the rural county area and a salary increase for the Nash County Recreation Employee and not vote for an increase for the town's employees. Hough did not answer, but came back with a comment that people's hours and jobs are being cut everywhere, even at Bobby Murray Chevrolet.

After several minutes of discussion about the increased cost of living and who was not clearing any money and suggestions of comparing tax returns,

Administrator Bissette said that did not reflect what was going on with the town's business and they should not let farming, Bobby Murray Chevrolet, computer companies, or the state influence their decisions about business for the Town of Middlesex because it is irrelevant, and encouraged them to base their decisions solely on what is best for the Town of Middlesex. Commissioner Hough told Administrator Bissette that he was not for giving any increases and he was not going to discuss the matter further and he had nothing else to say.

Mayor Lewis granted Clerk Lambert permission to speak. Lambert stated she realizes the economy is indeed bad, but the exact same comments have been made at all the budget workshops for the past seven years when it comes to the employees raises. There were no comments from the Commissioners.

Commissioner Meacombs stated he was for salary increases and was not for making the employees of the town support the water and sewer funds by way of no pay increases. Commissioner Robinson's position was "no raises".

Mayor Lewis passed out Peggy Bissette's resignation effective June 30, 2009, and asked the Board for a decision about a replacement for Town Administrator, part time or full time, recommended salary and qualifications. Commissioner Bissette suggested that perhaps some job duties could be changed around and asked Clerk Lambert about her knowledge of zoning and if she would be interested. Lambert stated that she has very limited knowledge of zoning, has no interest in zoning, but realizes that she serves at the pleasure of the Board, but that she had rather not take on the responsibility of zoning.

Everyone agreed that a full time Town Administrator should be hired and the salary range should be advertised as recommended by Commissioner Meacombs. When an annual salary of \$35-40,000 was agreed upon, Clerk Lambert brought to the Board's attention that a person supervising the Department Heads should make more than the people they are supervising, the figure was changed to \$38-\$42,000 annually. Mayor Lewis asked Peggy Bissette to draft an ad and present to him.

Mayor Lewis advised that another budget meeting would be set at the next regular town meeting.

Being no further business, Commissioner Meacombs moved to adjourn.

Jennifer Lambert
Clerk

Mayor Luther H. Lewis, Jr.
Commissioners
Harold Meacombs
Fred Hough
Luke Robinson
Derek Bissette