

May 11, 2009

The Middlesex Governing Body met in regular session in the Conference Room of the Town Hall. Mayor Luther H. Lewis, Jr. called the meeting to order at 7:30p.m. and gave the invocation. Members present were Commissioners Harold Meacombs, Fred Hough, Luke Robinson, Derek Bissette, and J.W. McClenny. Police Sergeant Dennis Murray, Dale Bachmann, and Vennie Brock, were present.

Mayor Lewis opened the floor for public comment. There was no input so Mayor Lewis closed the session.

The April minutes were approved in a motion by Commissioner Hough, seconded by Commissioner Robinson and carried unanimously.

Administrator Bissette requested to add a Closed Session to discuss a personnel issue within the police department under G.S.143-318.11(a)(6). Commissioner Bissette moved to approve the agenda with the requested addition. The motion was seconded by Commissioner Robinson and carried unanimously.

The April financial statements were accepted as correct in a motion by Commissioner McClenny, seconded by Commissioner Bissette and carried unanimously.

Police Chief Charles Ferrell, who is in an exempt employee, requested that he be paid for time worked when covering shifts for other officers due to being short of staff, if the need arises. The Board members were in agreement.

Project Updates by Administrator Bissette were as follows:

(1) Wellness Park-sewer line will be dug tomorrow, May 12, by the town's Utility Department and Commissioner Meacombs will wire the sewer pump. Once inspected by Nash County, USDA will inspect and release the \$80,000 in loan proceeds.

(2) Meter Project-\$6,000 in engineering costs by Earthtech to oversee the project will not have to be paid because the company we purchase the meters from will handle the inspections. This has been approved by the Rural Center.

(3) Well Project-Michael Acquesta, the town's engineer, will be here tomorrow, Tuesday, May 12, to meet to update the project budget. The 200 ft. X 200 ft. well site has already been surveyed, and the bidding should begin soon.

Administrator Bisette passed out an updated analysis of lost revenue as a result of lowering the minimum usage from 3,000 gallons to 2,000 gallon per month. A total of \$221,952.00 in revenues has been lost in a six year period. Bisette stated that the town cannot keep affording to lose that kind of money. She reviewed charts proposing an increase of \$.50 per 1,000 gallons of usage, raising the water rate from \$4.00 to \$4.50 per 1,000 gallons, and adding a flat fee of \$8.00. In the sewer, she recommended to remain at \$13.00 per 1,000 gallons of usage but to charge a flat fee of \$10.00. In sanitation, she proposed an increase of \$1.50 per month from \$11.75 to \$13.25.

A second study comparing revenues versus expenditures for this fiscal year indicated a year to date loss of \$20,666 in water, \$8,626 in sewer, and \$18,665 in the general fund. Bisette added that the town cannot continue to operate with these losses. Commissioner Hough asked if these figures included any depreciation and how we just reached the point of all the losses. Bisette stated the figures did not include depreciation and that we just didn't reach this point; that she had been advising the Board for several years to increase the rates slowly so there would be no huge jump at one time. She pointed out that Mike Hill with Rural Water gave a presentation last year and recommended that the town charge a flat administrative fee to cover operational costs and raise the rates to take care of the debt service. Also, Bisette added that John Anthony, the town's auditor, had advised the town to increase its rates for several years to make the water and sewer fund self supporting. Mayor Lewis added that we needed to do something on rates, even if not at the level Bisette recommended.

A review of the proposed 2009-2010 budget, which included no rate increases per the Board's instructions from the last workshop, indicated the town would have to use \$140,290 in water, \$97,500 in sewer, and \$227,555 in contingency money to balance the budget. Bisette pointed out that with the exception of \$15,500 included to repair the Selma Road sewer line problem, the well and meter project, and \$100,000 for the 2008 & 2009 commitment to the Bailey Middlesex Sports Complex, this budget was a very "bare bones" budget. After a rather lengthy discussion, everyone wanted more time to study the matter and schedule another workshop meeting to discuss rates in detail. The Board agreed to hold a workshop on Tuesday, May 26, 2009 at 7:30 p.m. They also agreed to hold a public hearing for the budget at 7:30 p.m. on June 8, 2009, prior to the regular scheduled meeting.

Quotes were presented for the walking track at the Wellness Park as follows:

Phase 1 (existing track) using less expensive metal galvanized pipe for the ditch instead of the PVC:

Finch Construction	\$7,950.00
TriScapes	\$9,967.50
Volunteers/Town Staff	\$5,000.00

Phase 2 (complete track as designed):

Finch Construction	\$12,650.00
Triscapes	\$ 9,952.50

Dale Bachmann advised the Board that he could put thirty hours into it, along with town employees, and be pretty close to finishing Phase 1. Dale will check into filling the track with processed fill, which is a cheaper grade of rock than screenings, which you only have to pay for loading and hauling, and Administrator Bissette will check on cheaper prices for the PVC pipe. Commissioner Hough moved to use Dale Bachmann's volunteer services and town employees to complete Phase 1 and take a second look at Phase II at a later date. Commissioner Robinson seconded the motion and it carried unanimously.

The revised Town Code of Ordinances was presented for final adoption. Commissioner Meacombs moved to rescind the present Town Code of Ordinances and to adopt the newly revised and updated Code of Ordinances. His motion was seconded by Commissioner Robinson and carried unanimously.

Clerk Lambert presented the following proposed Budget Amendment to the 2008-2009 budget:

<u>GENERAL FUND REVENUES:</u>		<u>INCREASE</u>	<u>DECREASE</u>
10-373-0400	WELLNESS PARK-USDA LOAN		20,000.00
10-373-0401	WELLNESS PARK-USDA GRANT	20,000.00	

The entire \$100,000 for the park project is in the budget under 10-373-0400. Per our auditor, federal grant funds must be accounted for separately. This amendment separates the loan proceeds from the grant funds we will be receiving.

GENERAL FUND EXPENDITURES:

Mayor Luther H. Lewis, Jr.
Commissioners
Harold Meacombs
Fred Hough
Luke Robinson
Derek Bisette
J.W. McClenny