

Middlesex Governing Body Meeting Minutes
Reconvened May 15, 2015 from May 11, 2015

Mayor Lewis reconvened the regular meeting at 10:00 am, which was recessed from May 11, 2015 to continue 2015-2016 budget discussions. Members present were Commissioners Danny Alford, Cherry Davis, and J.W. McClenny. Commissioner Harold Meacombs and Ann Lewis were absent. No guests attended.

Mayor Lewis reviewed all the changes from the budget presented March 9, 2015, which was basically the 2014-2015 budget as everything stands at present before any budget materials, quotes, etc. were received.

Based on the Board's input from May 11, 2015, along with further recommendations based on the numbers, Mayor Lewis reviewed the budget numbers that changed. He informed the Board that this budget includes:

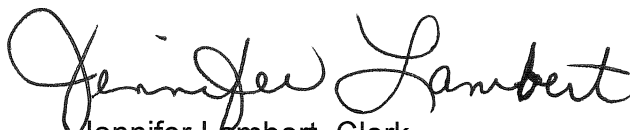
- 1) A \$.05/100 tax increase, which drives current tax revenues from \$214,000 to \$236,920 (based on collection rate of 94.7%)
- 2) Sanitation rate increase from \$16.75 to \$20 per month for residential and \$24.50 to \$28 for businesses, bringing the new budget amount for refuse collections from \$90,000 to \$107,000. Reasoning for this increase is based on \$10,000 for upcoming dump truck repair costs, and the need to work toward having reserves to purchase a new garbage truck. A good used truck costs about \$75,000 and a new truck about \$125,000.
- 3) Salaries changes from performance evaluations discussed in Closed Session on May 11, 2015 are included.
- 4) The Medical Reimbursement Plan budgeted for \$10,000 has been removed
- 5) The new premium for the United Health Care Copay Plan has been included. Mayor Lewis will hold a meeting with the employees to announce the new plan, which has a \$2,000 deductible. The premium for this plan is \$6,500 more than the HSA Plan, but the town will not need to spend the average \$6,000 in medical reimbursements to employees. The employees will be responsible for an extra \$1,000 deductible and the employees may also reimburse the town \$20 per biweekly payroll deduction.
- 6) The General Fund Balance Appropriation needed in this budget is now reduced to \$21,410, compared to the current 2014-2015 budget fund balance appropriation. A \$.10/100 tax increase would be needed to balance using no fund balance.
- 7) Water Fund revenues were changed slightly so it needs no fund balance. New housing will increase revenues for water collections.
- 8) Sewer Fund Balance contingency required is \$24,935. Treatment costs based on flow will increase 6%, but the bill should decrease due to the decrease in BOD's & TSSs, which is the largest part of the Raleigh bill.

Therefore, budgeted expenditure for sewer treatment were lowered from \$100,000 to \$90,000.

Mayor Lewis commented that none of these increases are popular, but necessary. Again, property taxes have not been increased in Middlesex from 1992 until 2014, when it was increased \$.02/100 and that was not enough, and Middlesex is much lower than surrounding towns.

Commissioner McClenny asked how Mayor Lewis's mileage was charged. Mileage requests are split between departments, as Clerk Lambert explained, depending on what the mileage was for. For example, a trip for a Transportation meeting would be charged to Governing Body expense, a meeting at Carolina Gateways would be charged to Economic Development, a trip for swimming pool supplies would be charged to the pool, and a trip for water or sewer parts would be charged to water or sewer.

Commissioner Alford moved to recess the meeting and to reconvene on Monday, May 18, 2015 at 10:00 a.m. to continue 2015-2016 Budget discussions. Commissioner Davis seconded and the vote was unanimous.



Jennifer Lambert, Clerk

Mayor Luther H. Lewis, Jr.
Commissioners
Harold Meacombs
Danny Alford
Cherrye Davis
Ann Lewis
J.W. McClenny