

Reconvened Meeting Minutes
Monday, June 2, 2014

At 5:15 pm on June 2, 2014, Mayor Lewis reconvened the recessed meeting from Monday, May 27, 2014. Commissioners Harold Meacombs, Danny Alford, Cherrye Davis, Ann Lewis, and J.W. McClenny were present. Police Chief Dennis Murray was present, along Amanda Clark with the **Nashville Graphic** and Joe Burnette with the **Spring Hope Enterprise**.

Clerk Lambert advised the Board she just received a memo from the NC State Treasurer's office correcting the Law Enforcement Retirement percentage requirement paid by the town from 7.27% to 7.41%. This must be changed in the 2014/2015 Budget before the June 9, 2014 Public Hearing.

Mayor Lewis asked the Board to continue the discussions regarding the property tax rate or any other comments/questions regarding the new budget. Commissioner Meacombs stated that it was obvious the town needs to go up on taxes from the materials presented on Monday night and a \$.01/100 increase per year until the revaluation in 2016 might be a good way to increase. He added that the town could not continue to take from the fund balance as the town's auditor has reminded the Board year after year. He also remarked that "For years, the town has been able to fight off tax increases by saving and cost cutting, but there becomes a time when you cannot continue without an increase. He also added that a one cent increase, equivalent to \$4,800, would have no real impact on the fund balance.

Mayor Lewis stated that Middlesex is always being compared to Bailey in other matters and when it comes to the property tax rate of \$.50/100, Middlesex is \$.11 cents less than Bailey and \$.07 less than Spring Hope.

Commissioner Davis asked about a fire tax increase proposed. She added she heard it would be \$.03/100 increase. Commissioner Danny Alford confirmed the Fire Department included a proposed \$.03 increase in their budget submitted to Nash County, but it must be approved by the Nash County Board of Commissioners.

Mayor Lewis explained the Fire Department tax does not have anything to do with the town. Fire tax is billed and collected by Nash County and does not come through the town's finances. (The Fire Department is not part of the town and is an independently operated volunteer department).

Commissioner Meacombs advised that the Board must decide today on any tax increase or changes because the public hearing and adoption of the 2014-2015 budget is scheduled for Monday, June 9, 2014. Otherwise, he stated, the Board would have to call another special meeting.

Meacombs then suggested to increase the property tax rate \$.02/100 now, and maybe another \$.02 increase next year, and with park improvements and other capital items completed, maybe the reserves would catch back up. He also reminded everyone that if the town is not awarded the CDBG funds for the lift station overhaul project, the Board would have issues to deal with on water and sewer rates.

Commissioner Ann Lewis stated that she sees no way around a tax increase from the materials presented. She suggested the Board go ahead and increase the tax rate by \$.05 and not have to revisit the tax rate every year for the next several years. She also added that if the rest of the Board members agreed on a \$.02 increase, she would go along with them.

Commissioner McClenny stated he was OK with the \$.02 increase. Commissioner Davis said she was not in favor of an increase.

Commissioner Ann Lewis moved to add \$.02/100 property tax increase to the 2014/2015 Budget. Commissioner Meacombs seconded. The vote was three affirmative, and two dissenting votes cast by Commissioner Alford and Davis.

Being no further business regarding the 2014/2015 Budget, Commissioner Meacombs moved to adjourn. Commissioner Alford seconded and the vote was unanimous.

Jennifer Lambert
Town Clerk

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