

Middlesex Governing Body Special Meeting Minutes  
June 26, 2017

Mayor Lewis called the special meeting to order at 10:00 a.m. and gave the invocation. The purpose of the meeting is to hold a public hearing to hear public comment or questions for the proposed 2017-2018 Budget Ordinance, approve any necessary 2016-2017 budget amendments, discuss other items that will affect the 2017-2018 Budget, and revisit the town hall administration vacancy. Members present were Commissioners Harold Meacombs, Danny Alford, Cherrye Davis, Ann Lewis, and J.W. McClenny. Only two guests attended, including Lorrie Gray, an applicant for the Administrative Assistant position.

Mayor Lewis opened the floor for the public hearing for the proposed 2017-2018 budget. Following 2017-2018 Budget Ordinance in its entirety:

**O-2017-1180**

**TOWN OF MIDDLESEX BUDGET ORDINANCE  
FISCAL YEAR 2017 – 2018**

Be it ordained by the Board of Commissioners of the Town of Middlesex, North Carolina, and meeting on June 26, 2017 that fund revenues; departmental expenditures; rate schedules; salary changes; and any other policy changes as follows are hereby adopted for fiscal year 2017 - 2018 by department:

**SECTION I. GENERAL FUND (FUND 10) BUDGET**

<b>Total Revenues:</b>	<b>778,055</b>
<b>Expenditures by Department:</b>	
<b>Governing Body</b>	<b>9,410</b>
<b>Administration</b>	<b>117,255</b>
<b>Tax Collection</b>	<b>6,125</b>
<b>Legal</b>	<b>4,500</b>
<b>Economic/Phys Dev/Zoning</b>	<b>19,570</b>
<b>Public Buildings</b>	<b>30,500</b>
<b>Community Building</b>	<b>3,550</b>
<b>Police Department</b>	<b>291,205</b>
<b>Police Drug Fund</b>	<b>1,200</b>
<b>Streets &amp; Sidewalks</b>	<b>68,535</b>
<b>Powell Bill Expenditures</b>	<b>54,500</b>
<b>Sanitation</b>	<b>114,520</b>
<b>Parks &amp; Recreation</b>	<b>4,100</b>

<b>Swimming Pool</b>	<b>15,270</b>
<b>Cemetery</b>	<b>4,700</b>
<b>Non-Departmental</b>	<b>2,500</b>
<b>Library</b>	<b><u>30,615</u></b>
<b>Total Expenditures</b>	<b>778,055</b>

**SECTION II. WATER AND SEWER FUND (FUND 30) BUDGET**

<b>Water Revenues:</b>	<b>171,830</b>
<b>Water Expenditures:</b>	<b><u>171,830</u></b>
<b>Sewer Revenues:</b>	<b>362,775</b>
<b>Sewer Expenditures:</b>	<b><u>362,775</u></b>
<b>Total Water &amp; Sewer Fund:</b>	<b><u>534,605</u></b>
<b>GRAND TOTAL BUDGET:</b>	<b><u>1,312,660</u></b>

The General Fund budget totaling \$778,455 requires \$55,945 in fund balance appropriations to meet expenditures. The Water Fund budget totaling \$171,830 requires \$10,580 in fund balance to be appropriated, and the Sewer Fund budget totaling \$362,775 requires \$40,275 from fund balance to meet expenditures. The draft budget has been posted in the Clerk's office for public inspection since June 1, 2017.

**SECTION III. Tax Rates:**

The ad valorem tax rate for the Town of Middlesex will remain unchanged from 2016 at \$.57 per 100 of valuation for the 2017 tax billing. This tax rate will be adopted by the Board of Commissioners by adoption of this Budget Ordinance. Nash County bills and collects fire tax and remits directly to the Middlesex Volunteer Fire Department, which operates independently from the town.

Nash County bills and collects all town property taxes for a 2% collection fee, and 1½ % vehicle tax collection fee. The town continues to collect unpaid taxes for year 2011 and prior. The real and personal property valuation estimates received from Nash County for the 2017 billing were \$45,320,000 (after exemptions). At the rate of \$.57/100, this is equivalent to budgeted property tax revenues of \$267,500, according to budgeting guidelines. Budget estimates are based on the prior year collection rate of 96.59%. Also, at the recommendation of Nash County Tax Administrator Jim Wrenn, we dropped the estimate by 2% to allow for potential loss due to the ongoing appeals process from the 2017 revaluation of property. The estimated valuation of property after the revaluation was 48,587,360 (after the 2% appeals), compared to the 2016 estimate \$45,320,000. Estimated vehicle tax values for 2017 are \$5,059,700 compared to \$4,513,418 for 2016. This is after a recommended 5% reduction due to the volatile nature of these revenues as discussed with the Nash County Tax Administrator and based on state budgeting guidelines. Vehicle taxes are collected by NC DMV at the time the vehicle tag is purchased/renewed.

#### **SECTION IV. Workers Compensation and Property and Liability Insurance**

The estimated 2017-2018 Property and Liability premium is \$13,360 compared to the final 2016-2017 premium totaling \$14,637, which is a decrease of \$1,277 over last year.

The estimated 2017-2018 premium for Workers Compensation is \$8,311 compared to the 2016-2017 net premium of \$8,746, a decrease of \$435. However, the premium will be adjusted after a payroll audit is completed in April-May 2018.

#### **SECTION V. Nash County Library Contribution**

Nash County approved the town's requested \$14,000 contribution for the Middlesex Public Library, which is an increase of \$500 from the \$13,500 received in 2016-2017. Braswell Library continues to provide computer support services at no cost to the town for labor. New book purchases represents \$2,300 of the total budget of \$30,615.

#### **SECTION VI. Powell Bill**

The Powell Bill budget totals \$54,500, which includes \$50,000 for paving and \$2,500 for the town's portion for maintenance of the Manning Street railroad crossing. The fund balance appropriation needed is \$28,375. We still have received no information regarding the installation of the Possum Road railroad crossing signal, so the \$20,000 for Middlesex's portion of the cost is not included in this budget. If Carolina Railway decides to complete this project in 2017-2018, the budget must be amended at that time.

#### **SECTION VII. Parks and Recreation**

No money is appropriated for parks in this budget beyond the normal maintenance and utilities expenditures. This budget includes \$200 for Middlesex's half of the cost of liability insurance for the Bailey-Middlesex Park.

#### **SECTION VIII. Swimming Pool**

The Town Board agreed to continue to open the swimming pool for 2017 season. A season pass is available for \$250 for out-of-town patrons and \$200 for in-town patrons. The ten-visit pass is \$35, and a \$4.00 per day pass. Swimming pool expenditures are estimated at \$15,270, while forecasted revenues are \$6,000.

#### **SECTION IX. Public Buildings**

Funds totaling \$25,000 were budgeted for improvements and maintenance to public buildings. This includes funds needed for roof repairs to the Police Department building, and new carpet, paint and needed repairs to the town hall budgeted in 2016-2017 and not spent. The total budget for public buildings is \$30,500.

## **SECTION X. Community Building**

No upgrades are budgeted for the community building in 2017-2018. The total budget is \$3,550, the same as 2016-2017.

## **SECTION XI. Police Department**

The Police Department budget totals \$291,205, up from last year's original budget \$267,900. However, budget amendments during 2016-2017 fiscal year for the VIPER Radio consoles for the 911 system and the driver display speed limit signs accounts for \$7,900 dollars of the difference. Salary for an Interim Police Chief for July and August accounts for another \$6,080.

## **SECTION XII. Sanitation Rates**

The sanitation rates for residential monthly service will remain the same at \$20 per month and \$28.00 per month for businesses. This amount includes the \$3.00 monthly recycle fee. The monthly fee includes household and bulk garbage, recycle, and yard waste programs. This new budget includes \$3,350 to cover twenty garbage and twenty recycle carts which will be received next month.

In an effort to cut expenses, the Town Board is looking at alternatives such as outsourcing all of the Public Works functions. The town is trying to be forward-thinking for the future of the town by looking into the most efficient and least costly way to do business. The town is currently reviewing a proposal for \$224,000 from Envirolink to take over all of the Public Works functions. Envirolink is not in the garbage business, so their personnel would use the town's truck to pick up all garbage, recycle, bulk, and yard waste.

## **SECTION XIII. Other Capital Projects**

There are no Capital Projects in the General Fund.

## **SECTION XIV. Water and Sewer Rates**

The City of Raleigh announced a 2.8% increase for Middlesex wastewater treatment flow for 2017-2018. The water and sewer rates remain unchanged from 2016-2017 as follows:

Water Accessibility Fee	\$8.00 per month
Water Usage Rate per 1,000 gallons	\$4.50
Sewer Accessibility Fee	\$15.00 per month
Sewer Usage Rate per 1,000 gallons	\$13.75

We have not received notification of an increase from Envirolink for the existing contract as the town's ORC, however an anticipated 2% increase ( or slightly higher) is included in this budget for water and sewer services for 2017-2018 based on rate increases in the past. The contract base for water is budgeted at \$2,291.67 per month or 27,500

for the year. The budgeted contract amount for sewer is \$583.33 per month or \$7,000 for the year.

#### **SECTION XV. Water & Sewer Acreage & Impact Fees & Nutrient Reduction Fees**

Fees for water and sewer taps, water and sewer acreage, and impact fees remain unchanged.

Nutrient reduction fees, also referred to as nitrogen fees, are to be charged to each customer for all new sewer connections and remitted to the City of Raleigh per our contract. The current rate for each new sewer connection is \$647.00 per connection for up to a four-inch connection. We have not been advised of an increase for 2017-2018 for nitrogen surcharges, but the town must adopt Raleigh's rate when it increases, per our contract.

#### **SECTION XVI. Debt Service**

Sewer debt service due to NC DENR for 2017-2018, totaling \$103,786.55 for the sewer line to Zebulon, is the final payment on this \$1,551,244 loan for twenty (20) years. These funds have been placed in reserves at Southern Bank. The town borrowed \$150,000 from Southern Bank in March 2016 for sewer lift station overhauls/pump replacements and to resolve inflow problems. The first payment totaling \$14,760 has been paid and the second payment of \$14,540 is due March 14, 2018 and that payment is also in reserves at Southern Bank. The Southern Bank Loan Escrow account balance for the \$150,000 has now been depleted and the final reimbursement will be made to the town before June 30, 2017 to wrap up this project.

#### **SECTION XVII. Other Miscellaneous Rates/Fees:**

The fees for utility deposits, copies, faxes, dispensed water, community building rent and deposit, will not change effective July 1, 2017. The community building rent and deposit remains at \$175 each per occurrence or rental. Grave opening fees were reviewed and will remain unchanged at \$1,000, regardless if it is a weekday or weekend. Zoning permits will remain at \$50 each.

#### **SECTION XVIII. Salary/Personnel Changes:**

Following are the pay increases which are approved by the adoption of this budget ordinance which are effective July 1, 2017 and incorporated in the 2017-2018 budget:

##### **POLICE:**

Full Time Chief of Police budgeted at \$44,000

Michael Marshall - Full Time Police Officer - increase \$1.00/hr from \$14.78 to \$15.78

Vennie Brock - Full Time Police Officer – increase \$1.00/hr from \$15.20 to \$16.20

Reserve Police Officer Rate - increase \$1.00/hr from \$11.75 to \$12.75

Full Time Police Officer Vacancy budgeted at \$27,190.80 (left by Tristan Stallings)

Interim Police Chief budgeted at \$6,080 for two month overlap with training new Chief

**PUBLIC WORKS:**

James Liles-FT Public Works Supervisor - increase \$1.00/hr from \$17.00 to \$18.00  
Angelo Cameron- FT Public Works Worker - increase \$1.00/hr from \$13.50 to \$14.50  
Michael Fitzgerald-Seasonal Public Works Worker-increase \$1.00/hr- \$11.00 to \$12.00  
Pool Attendants – Seasonal Worker - same at \$9.00 per hour  
Walt Manning-Seasonal CPO for pool - same at \$12.70 per hour  
Full Time Public Works Worker Vacancy budgeted at \$26,416 (left by Walt Manning)  
Garrett Strickland, Seasonal Public Works Worker, has a full time job, and may not be available to work many hours-budgeted for 800 hours

**ADMINISTRATION:**

Lu Harvey Lewis, Jr., Part time Town Administrator - no increase (\$28.13/hr)  
Jennifer Lambert-FT Town Clerk/Finance Officer - increase \$1.00/hr from \$22.00 to \$23.00 (Retires August 31, 2017-budgeted two months)  
Gloria Vinson-Admin. Financial Assistant-new hire 5-11-2017 at \$12.00/hr.  
Vacant Town Clerk/Finance Officer to be decided- budgeted at \$33,280

**SECTION XIX. Group Insurance Changes:**

The Employee Medical coverage plan for 2017-2018 will remain with United Healthcare and the premium increased 5.8% from 2016-2017. The annual estimated cost of \$86,055, which is included in the new budget includes a vacant full time Utility Worker position. The coverage remains the same as the current coverage with the individual deductible of \$2,000, with a \$4,000 annual maximum out of pocket.

The Municipal Insurance Trust (MIT) premium for vision, life, and short term disability did not increase from last year. However, dental insurance increased \$1 per month per employee from \$28.50 to \$29.50 per employee per month, increasing the monthly MIT premium from \$54.00 per month to \$55.50 per full time employee. The annual premium for nine full time positions will be \$5,994.

**SECTION XX. Retirement Contribution Rates:**

Retirement contribution rates received from the NC State Treasurer, Retirement Systems Division indicate an increase from 2017-2018 and are as follows:

Local General Class:	7.63% (up from 7.40% in 2016-2017)
Law Enforcement Class:	8.25% (up from 8.00% in 2016-2017)

**SECTION XXI. 401K Contribution Rates:**

The town's 401k contribution rates remain unchanged for 2016-2017 as follows:

Local General Class:	3.5%
Law Enforcement Class:	5.0%

**SECTION XXII. Adoption of Ordinance:**

This Ordinance shall be effective July 1, 2017 and is duly adopted this, the 26th day of June, 2017.

\_\_\_\_\_  
Luther H. Lewis, Jr., Mayor

ATTEST: \_\_\_\_\_  
Jennifer Lambert, Town Clerk

Mayor Lewis pointed out the major differences from last year's budget. The Sanitation budget is \$30,000 more due to substantial increases in trash tonnage to Waste Industries and a price increase mid-year. The 2017-2018 Police Department budget is \$291,000 compared to \$268,000 last year. It includes the salary for a new Police Chief, and \$6,000 for the Interim Chief, along with salary increases and benefits for other officers. Health insurance premiums increased 5.8%. The General Fund total budget of \$778,000 is up from last year's \$704,000. It would have been \$40,000 higher if not for the loss of revenue from the lease of the town's medical facility. No tax increase is included in this budget and no rates or fees are increased for 2017-2018.

In the Public Building's maintenance budget, money was included to replace the police department roof, as well as paint and carpet for the town hall.

Braswell Library will apply for a grant and has approached the town and other Nash County towns about taking over library services. Mayor Lewis and Commissioners Davis and Lewis met with representatives from Braswell Library this week and they will soon submit a written proposal to the town. Mayor Lewis noted this item of business will be discussed at the July 10, 2017 meeting, and, if approved, will change the new budget.

Mayor Lewis emphasized the need to adopt this budget and move forward even though there will be changes in July due to so many pending items. Commissioner Lewis asked if there had been any interest in leasing the town's medical facility. Citizen Phyllis Narron asked what building the Board was referring to. Mayor Lewis replied it was the building formerly known as the Powell Clinic on E. Finch Avenue. Mayor Lewis asked if there were any further questions. With no further input, the public hearing was closed at 10:15 a.m.

Commissioner Lewis moved to adopt the 2017-2018 Budget Ordinance as presented. Commissioner Alford seconded and the vote was unanimous.

Clerk Lambert presented the following 2016-2017 budget amendment for board approval:

<b><u>GENERAL FUND EXPENDITURES:</u></b>		<b><u>Increase</u></b>
<b><u>Swimming Pool:</u></b>		
10-591-1600	Maint. Of Equipment	970.00
<b><u>GENERAL FUND REVENUES:</u></b>		
10-310-0000	Current Year Taxes	970.00
***To cover the cost of a new swimming pool pump-pump quit		

Commissioner Alford moved to approve the 2016-2017 amendments as presented. The motion was seconded by Commissioner Davis and the vote was unanimous.



Clerk Lambert requested to close the town hall to the public on June 30, 2017 for yearend processing and training Gloria Vinson, who has been cross training for the Town Clerk/Finance Officer position. Lambert noted the computer would be down during for all other processing. Commissioner Lewis moved to close the town hall for yearend processing and training on June 30, 2017. The motion was seconded by Commissioner McClenny and the vote unanimous.

Mayor Lewis reviewed a proposal for a new website design for the town from Mark Cone, owner of Gold Valley Web Works. As already discussed in an earlier meeting, the town's website has experienced some security concerns, is over eight years old, and is outdated. The proposal, costing \$2,500, will completely be a new website, which can easily be edited easily by town personnel. It contains special features such as the ability for mobile access by iphone, and the ability for town personnel to place notifications on Facebook for citizens. Web hosting currently costing \$14.95 per month is included. Mr. Cone requests one-third up front. There will be a \$500 recurring annual charge for monthly security updates and backups. The town will still maintain the Go Daddy domain registration for the town, which costs about \$70 for five years. Mayor Lewis added that Mark Cone has a degree in web design and is currently obtaining his degree as a web developer. He is local and his references were included with the quote. A second proposal from Carolina Edge was for \$2,500, with a recurring \$100 monthly maintenance fee. This proposal was reviewed during the June 12, 2017 meeting. Web hosting would be extra at \$14.95 per month. Mayor Lewis added that it would be nice to post on Facebook about the garbage truck is being repaired and trash pickup is delayed, like happened last week. The Board agreed to wait until the July 10, 2017 meeting to take action on the website.

The Board expressed at the last meeting they would like for Gloria Vinson to attend classroom training at Logics Software LLC in Raleigh for Utilities Management, and Phoenix Financials. Mayor Lewis presented a quote from Logics for \$2,500 for two days of on-site training. They are willing to split in half days, if we feel that would work better for us. The training is tentatively on the schedule for some time the first two weeks in August, until this is approved by the Board and the new budget amended. Commissioner Alford moved to approve the training and to amend the 2017-2018 Budget for the training, plus the cost of Gloria's mileage and meals. The motion was seconded by Commissioner Lewis and the vote was unanimous.

Commissioner Meacombs moved to go into Closed Session as authorized by G.S.143-318.11(a)(6) to discuss personnel matters. Commissioner McClenny seconded and the vote was unanimous.

Back in Open Session, Commissioner Lewis moved to hire Lorrie Brantley Gray as Administrative Assistant at a salary of \$12.00 per hour effective July 1, 2017 to be reviewed in ninety (90) days. Commissioner Davis seconded and the vote was unanimous.

Commissioner Meacombs moved to give Gloria Vinson a \$3.00 per hour pay increase effective July 1, 2017 and review again in six (6) months. Commissioner Lewis seconded and the vote was unanimous.

With no further business, Commissioner Lewis moved to adjourn. Commissioner McClenny 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