

**Middlesex Governing Body
Meeting Agenda
June 27, 2016 – 7:30pm
10232 S. Nash Street**

1. Call the meeting to order and give the invocation.
2. Open the Public Hearing for public comment and questions on the 2016-2017 Budget.
Pages 1 - 33
3. Close Public Hearing.
4. Adoption of the 2016-2017 Budget Ordinance.
5. Approve proposed 2015-2016 Budget Amendment. **Page 34**
6. Adjourn

**Middlesex Governing Body Special Meeting Minutes
June 27, 2016**

Mayor Lewis called the special meeting to order at 7:30 p.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 2016-2017 Budget Ordinance and to approve any necessary 2015-2016 budget amendments. Members present were Commissioners Harold Meacombs, Danny Alford, Cherrye Davis, Ann Lewis, and J.W. McClenny. Only two guests attended.

Mayor Lewis pointed out changes in the budget from the last meeting:

- The General Fund balance appropriation decreased to \$14,605 from \$18,370 due to increasing revenues for zoning permit fees and cemetery grave openings approved at the June 21, 2016.
- Budgeted \$500 was added in swimming pool salaries for Walt Manning, the Seasonal Certified Pool Operator.

Mayor Lewis read the following 2016-2017 Budget Ordinance in its entirety:

O-2016-1162

**TOWN OF MIDDLESEX BUDGET ORDINANCE
FISCAL YEAR 2016 – 2017**

Be it ordained by the Board of Commissioners of the Town of Middlesex, North Carolina, and meeting on June 27, 2016 that fund revenues; departmental expenditures; rate schedules; salary changes; and any other policy changes are hereby adopted for fiscal year 2016 - 2017 by department as follows:

SECTION I. GENERAL FUND (FUND 10) BUDGET

Total Revenues:	704,465
Expenditures by Department:	
Governing Body	6,410
Administration	122,445
Tax Collection	6,150
Legal	4,500
Economic/Phys Dev/Zoning	15,915
Public Buildings	19,750
Community Building	3,550

Police Department	267,990
Police Drug Fund	1,200
Streets & Sidewalks	61,285
Powell Bill Expenditures	54,500
Sanitation	85,400
Parks & Recreation	3,600
Swimming Pool	14,070
Cemetery	4,595
Non-Departmental	2,500
Library	<u>30,605</u>
Total Expenditures	704,465

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

Water Revenues:	165,715
Water Expenditures:	<u>165,715</u>
 Sewer Revenues:	 387,415
Sewer Expenditures:	<u>387,415</u>
 Total Water & Sewer Fund:	 <u>553,130</u>
 GRAND TOTAL BUDGET:	 <u>1,257,595</u>

The General Fund budget requires \$14,605 in fund balance appropriations to meet expenditures. The Water Fund requires \$8,415 in fund balance to be appropriated, and the Sewer Fund budget requires \$42,505 from fund balance to meet expenditures. The Sewer Fund Balance is \$14,760 more than the original Budget Ordinance presented for the Public Hearing on June 27, 2016. The first payment for a Southern Bank sewer loan in the amount of \$14,760 due March 14, 2017 was omitted and has now been added to the budget. The budget was posted in the Clerk's office for public inspection on June 1, 2016.

SECTION III. Tax Rates:

The current 2015 ad valorem tax rate is \$.57 per \$100 valuation. The ad valorem tax rate for the Town of Middlesex will remain at \$.57 per 100 of valuation for the 2016 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 all unpaid taxes for year 2011 and prior. The real and personal property valuation estimates received from Nash County for the 2016 billing were \$45,320,000 (after exemptions). At the rate of \$.57/100, this is equivalent to budgeted revenues of \$245,000 according to budgeting guidelines.

Budget estimates are based on the prior year collection rate of 94.90%. Estimated vehicle tax values are \$4,513,418 for 2016, so vehicle tax revenues estimated at the current tax rate total \$24,800. The DMV collection rate for vehicle taxes in 2015-2016 was 99.94%. Budgeted revenues for vehicles was reduced by 3.5% due to the volatile nature of these revenues and as discussed with the Nash County Tax Administrator.

SECTION IV. Workers Compensation and Property and Liability Insurance

The 2016-2017 Property and Liability Premium totaling \$16,420, less the incentive credit of \$1,783, leaves a net premium of \$14,637. In comparison, this is \$260 less than the 2015-2016 final premium.

The estimated premium for Workers Compensation for 2016-2017 is \$10,503.07, less an incentive credit of \$1,911, leaving a net premium of \$8,592.07. This amount will be adjusted after a payroll audit in April 2017. In comparison, the estimated premium is \$20 less than the 2015-2016 final premium.

SECTION V. Nash County Library Contribution

Nash County's contribution to the Middlesex Public Library remains at \$13,500 for 2016-2017 Budget. Braswell Library continues to provide computer support services at no cost to the town for labor.

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 \$28,280. We 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 2016-2017, 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 2016 season. A season pass is available for \$250 for out-of-town patrons and reduced to \$200 for in-town patrons. The ten-visit pass was reduced from \$40 to \$35. New this year is a \$4.00 per day pass. Swimming pool expenditures are estimated at \$13,535 while forecasted revenues are \$6,000. Recent advertising, along with the new daily pass is

resulting in increased revenues. The Board will review the pool's financial status again in April 2017.

SECTION IX. Public Buildings

Funds totaling \$15,000 were budgeted for improvements and maintenance to public buildings. This includes funds for new carpet, paint and needed repairs to the town hall. The total budget for public buildings is \$19,750.

SECTION X. Community Building

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

SECTION XI. Police Department

The Police Department budget totals \$267,900. This includes painting, lettering and striping the Crown Vic police cars, computer upgrades in the office, and laptops for cars.

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. There should be a sufficient inventory of garbage and recycle carts for the upcoming fiscal year.

The garbage truck is in need of a few repairs and has some age, but will we can continue using this truck for the 2016-2017 year.

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 received a proposal from Waste Industries to contract pickup of garbage and recycle, with no bulk or yard waste pickup. This proposal is equivalent to \$95,000 and includes trash pickup weekly and recycle every other week. Their truck is much larger than the town's and they recommended only picking up recycle every other week. Mayor Lewis noted that if we go this route, sanitation rates will have to be increased. The town is also negotiating with Envirolink to use its personnel to pick up all garbage, recycle, bulk, and yard waste, using the town's garbage truck.

Local General Class: 7.4% (up from 6.83% in 2015-2016)
 Law Enforcement Class: 8.0% (up from 7.15% in 2015-2016)

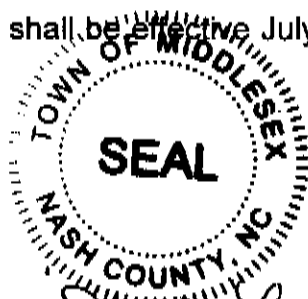
SECTION XXI. 401K Contribution Rates:

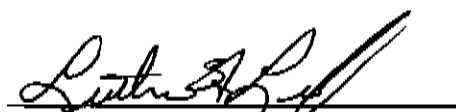
The town's 401k contribution rates remain unchanged for 2016-2017 as follows:

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

SECTION XXII. Adoption of Ordinance:

This Ordinance shall be effective July 1, 2016 and is duly adopted this, the 27th day of June, 2016.




 Luther H. Lewis, Jr., Mayor

ATTEST: 
 Jennifer Lambert, Town Clerk

The floor was opened for public comment or questions. No one had comments or questions. Mayor Lewis again emphasized the following:

- No tax increase included to cover the \$14,000 in General Fund Balance appropriated. After the revaluation, if the decrease is substantial and growth does not offset the decrease, the tax rate may have to be increased. Each \$.01 increase in the tax rate represents an estimated \$4,400 in revenue. He predicted the town would be ok, but next year there may be the need to increase the tax rate. He stated the town was trying to facilitate growth to offset a possible tax increase.
- Water and sewer rates will remain unchanged at this time

With no further input, the public hearing was closed.

Clerk Lambert presented proposed 2015- 2016 budget amendments as follows:

GENERAL FUND EXPENDITURES:

INCREASE DECREASE

Governing Body:

10-410-5800	Elections		165.00
10-410-0200	Salaries	180.00	
10-410-0500	FICA- Employers	15.00	

SECTION XIII. Other Capital Projects

The East Coast Packaging Building Reuse and Restoration Grant Project had been approved for an extension to October 31, 2016, so this project will continue into the 2016-2017 fiscal year.

SECTION XIV. Water and Sewer Rates

The City of Raleigh proposed budget includes a no increase for Middlesex wastewater treatment flow for 2016- 2017. Decreases in 2015-2016 in the cost per pound billed for biodegradables (BODs) and Total Suspended Solids (TSS), were offset by the addition of the nitrogen charges, which Raleigh realized they had not been billing. The water and sewer rates remain unchanged from 2015-2016 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

This budget includes a 2% increase in the Envirolink contract amount for water and sewer services for 2016-2017, increasing from \$2,790 per month to \$2,847 per month. The budgeted contract amount for sewer is \$7,000, and \$27,360 for water.

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 2015-2016 rate is \$647.00 per connection for up to a four-inch connection. We have not been advised of an increase for 2016-2017 for nitrogen surcharges, but the town must adopt Raleigh's rate when it increases.

SECTION XVI. Debt Service

Sewer debt service due to NC DENR for 2016-2017, totaling \$103,786.55 for the sewer line to Zebulon, has been placed in reserves at Southern Bank. This DENR loan for the sewer line to Zebulon is due to be paid in full in fiscal year 2017-2018. 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 is due March 14, 2017 was omitted and has now been added to this Budget Ordinance. The increased the Sewer Fund Balance Appropriation needed from \$27,745 to \$42,505. The Southern Bank Escrow account balance for the remainder of the loan proceeds as of May 31, 2016 was \$27,095.95.

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, 2016. The community building rent and deposit remains at \$175 each per occurrence or rental. Grave opening fees were reviewed and increased to \$1,000 effective July 1, 2016 regardless if it is a weekday or weekend. This is an increase from the \$850 for weekdays and \$950 for weekends. Many weekday services have been running past the normal working hours of the Utility Department, and services have been lasting longer. Zoning permits will increase from \$35 to \$50 effective July 1, 2016. Increases in these two fees will help offset the business privilege license tax.

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, 2016 and incorporated in the 2016-2017 budget. Administrative Assistant Tammy Pittman \$1.00 per hour; Town Clerk/Finance Officer Jennifer Lambert \$1.00 per hour; Police Chief Dennis Murray \$1.00 per hour; Police Officer Michael Marshall \$1.00 per hour; Police Officer Vennie Brock \$1.00 per hour; Utility Supervisor James Liles \$1.00 per hour; Utility Worker Angelo Cameron \$1.00 per hour, and Librarian Robert Stamper \$.50 per hour. Tristan Stallings was hired full time effective July 1, 2016 at \$11.45 per hour. Walt Manning resigned as full time in May and transferred to a Seasonal employee as Certified Pool Operator for the town's swimming pool. His rate is \$12.70 per hour and he will be paid a two-hour call back each time he comes to check the pool. This budget includes a full time Utility worker position, which is vacant due to the resignation of Walt Manning.

SECTION XIX. Group Insurance Changes:

The Employee Medical coverage plan for 2016-2017 will remain with United Healthcare Plan at an annual estimated cost of \$63,287.88, which includes the vacant full time Utility Worker position. The individual deductible for the plan is \$2,000, with a \$4,000 annual maximum out of pocket.

The Municipal Insurance Trust (MIT) premium did not increase from last year for vision, dental, life, and short term disability and will remain at \$54.00 per month per full time employee or \$5,184 premium for 2016-2017

SECTION XI. Retirement Contribution Rates:

Retirement contribution rates received from the NC State Treasurer, Retirement Systems Division indicate an increase from 2016 - 2017 and are as follows:

GENERAL FUND REVENUES:

10-337-0000	Franchise Tax	30.00
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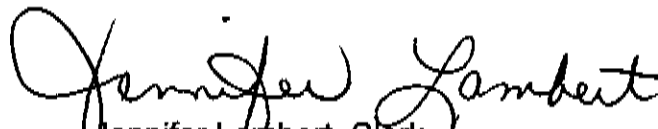
*27 pay periods in the fiscal year - budgeted 26

<u>Library:</u>			
10-680-3300	Departmental Supplies	400.00	
10-680-1500	Maint. Of Buildings & Grounds		400.00
<u>Swimming Pool:</u>			
10-591-3300	Dept. Supplies	400.00	
10-591-1600	Maint. Of Equipment		400.00
<u>Public Buildings:</u>			
10-500-2600	Advertising	200.00	
10-500-1500	Maint. Buildings & Grounds		200.00

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

Commissioner Meacombs moved to approve the 2016-2017 Budget Ordinance to include the addition of the \$14,760 principal and interest sewer loan payment due to Southern Bank on March 14, 2017. The motion was seconded by Commissioner McClenny 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

The Board will continue to investigate outsourcing of the Public Works functions. Negotiations are continuing between the town and Envirolink, and also with Waste Industries for sanitation services. Outsourcing to Envirolink would net an estimated savings of \$35,000. 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. However, the Board would like to be clear that the employees would be taken care of. Envirolink is more than willing to hire the town's employees. Envirolink contributes to a 401K, and they have opportunity to earn bonuses. The Town Board assured they will not take this decision lightly and they are 100% looking at the best interest of the town as well as looking after the employees. Mayor Lewis explained the Board would want this to be a good move for the town but also for the employees. The Public Works employees would have backup and would only be on call once every six weeks. Mayor Lewis also added that he will set up a meeting with Mike Myers of Envirolink and Public Works Supervisor James Liles.

Walt Manning, will remain the Seasonal Certified Pool Operator (CPO) and will be checking the town swimming pool. Money was omitted and must be added to this budget to cover this.

After a brief discussion, Commissioner Alford moved to increase the grave opening fee to \$1,000 (anytime - regardless of weekday or weekend), and increase the zoning permit fee from \$35 to \$50 effective July 1, 2016. Commissioner Meacombs seconded and the vote was unanimous.

Clark Allen advised Mayor Lewis he could not lease the town's building for the proposed fitness center due to family matters. The Board agreed to place an ad in the newspaper as well as on the town's website, and take applications. The rent will remain at \$250, with a \$250 deposit. The applications will be reviewed and the most suitable business will be chosen.

With no further business to discuss, Commissioner Meacombs moved to adjourn. Commissioner McClenny seconded and the vote was unanimous.


Jennifer Lambert

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