

June 29, 2010
Meeting Minutes

The Middlesex Governing Body met in special session in the Conference Room of the Town Hall. Mayor Luther H. Lewis, Jr. called the meeting to order at 8:30 a.m. Members present were Commissioner Harold Meacombs, Fred Hough, Luke Robinson, Dale Bachmann and J.W. McClenny. Sergeant Dennis Murray and Administrative Assistant Shelly Woodruff were present. There were no guests.

Mayor Lewis advised the Board that he believes the proposed 2010-2011 budget is the most realistic budget presented since he has been in office. Percentages of salaries divided between departments were adjusted to be as realistic as possible and salaries were also adjusted to the hours the employees is actually working. He noted that \$2,000 was included in the Governing Body salaries for overtime in other departments, and that \$5,000 is also included in the Governing Body for the Health Reimbursement Plan. Also, Public Building repairs were corrected to \$40,000 from the original \$65,000, and the interest earned revenues in the original budget were higher than what the bank rates are paying, these revenue figures were lowered to be more realistic.

The Health Reimbursement Plan Description was reviewed for the differences in the out of pocket amounts that will be reimbursed to employees due to the change in medical plans. The differences are outlined in Schedule B (Plan Description) in the Health Reimbursement Plan Document. Employees will be reimbursed once per quarter with the proper receipts/documentation.

Commissioner Hough asked what would be the most that the town would pay out for each employee. Mayor Lewis explained that \$500, plus co-pays would be the most that would be paid by the town. He added that the individual out of pocket maximum in the old plan was \$1,000 and the new plan is \$1,500, thus the \$500 difference per employee. He further explained that \$500 multiplied by nine full time employees would be \$4,500 and an extra \$500 was added to cover co-pays, which makes up the \$5,000 he put in the budget to cover the reimbursements. Commissioner Bachmann noted that the Board never saw the comparison between the old plan and the new plan and he would like to have seen both plans and had thought the town would pay more to the employee. Mayor Lewis stated all the differences were outlined in Schedule B of the Health Reimbursement Plan Document drawn up by Blue Cross Blue Shield at no charge and that the employees would have no extra expense above the present plan, but would have to present their receipts to get reimbursed. Lewis stated that the town is saving \$13,500 over the comparable Med 500 League

Health Insurance plan and \$25,000 over the current HealthPlus Plan. Bachmann asked if the \$13,500 savings included the \$5,000 Health Reimbursement Expense Account. Mayor Lewis said that the town's net savings would be \$8,500 after the \$5,000 expense, which he added the town may not have to use all the \$5,000. The town will shop next March for insurance rates and the insurance companies cannot base premiums of past year's experience. Also, the Town of Middlesex now is an individual group and not part of a pool.

Clerk Lambert reviewed the budget totaling \$1,287,825, with \$797,835 being General Fund, \$137,870 being water and \$352,120 being sewer as stated by department in the Budget Ordinance below:

**TOWN OF MIDDLESEX BUDGET ORDINANCE
FISCAL YEAR 2010 – 2011**

Be it ordained by the Board of Commissioners of the Town of Middlesex, North Carolina, meeting on this 29th day of June, 2010 that the fund revenues; departmental expenditures; rate schedules; and any other policy changes are hereby adopted for fiscal year 2010-2011 by line item as stated below:

SECTION I. GENERAL FUND (FUND 10) BUDGET

Total Revenues:	\$ 797,835
Expenditures by Department:	
Governing Body	12,290
Administration	127,135
Zoning	1,500
Legal	6,000
Economic/Phys. Dev./Zoning	56,960
Public Buildings	51,220
Community Building	2,650
Police	240,500
Police Drug Fund	1,230
Public Safety	22,500
Streets & Sidewalks	80,605
Powell Bill	83,500
Sanitation	65,705
Parks & Recreation	20,535
Cemetery	1,100
Non-Departmental	2,200
Library	22,205
Total Expenditures	\$ 797,835

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

Water Revenues:	\$137,870
Water Expenditures:	\$137,870
 Sewer Revenues:	 \$352,120
Sewer Expenditures:	\$352,120
 Total Water & Sewer Fund:	 \$489,990
 GRAND TOTAL BUDGET	 <u>\$1,287,825</u>

SECTION II. Tax Rates:

The Ad Valorem Tax Rate remains unchanged at \$0.55 per \$100 at full evaluation and is hereby established as the official tax rate for the Town of Middlesex during the fiscal year 2010 – 2011. The taxable valuation estimated by Nash County is approximately \$35,090,000 for real property, \$7,100,000 for personal property, \$5,600,000 for motor vehicles, less exemptions of \$460,000, bringing the total valuation estimate to \$47,330,000 and at the current tax rate will be an estimated revenue of \$229,515 for real and personal property and a total of \$260,315, including vehicles.

SECTION III. Sanitation Rates

The current rate of \$12.75 per month for residential consumers and \$20.50 for business consumers remains unchanged for this fiscal year. This amount includes household garbage, recycle and yard waste programs.

SECTION V. Water and Sewer Rates

The current rates remain unchanged for the 2010 – 2011 fiscal year as follows:

Water Accessibility Fee	\$8.00 per month
Water Usage Rate per 1,000 gallons	\$4.00 per month
 Sewer Accessibility Fee	 \$15.00 per month
Sewer Usage Rate per 1,000 gallons	\$13.00 per month

SECTION VI: Water and Sewer Acreage & Impact Fees & Nutrient Reduction Fees

Fees for water and sewer taps, water and sewer acreage and impact fees remain unchanged from 2009-2010.

Nutrient Reduction Fees – Sewer (per contract and as determined by the City of Raleigh)

Residential

Individual sewer service size up to 4-inch service	\$ 612/dwelling unit
Group housing on single service	\$ 476/dwelling unit

Non-Residential

0 to 4-inch sewer service	\$ 612/connection
6-inch sewer service	\$ 1,151/connection
8-inch or greater	\$ 2,436/connection

SECTION VII: Other Miscellaneous Rates/Fees:

The fees for utility deposits, copies, faxes, dispensed water, second water meters not connected to the sewer system, community building rent and deposit, grave spaces, and grave opening fees remained unchanged.

SECTION VIII: Salary/Personnel Changes:

Mayor Luther H. Lewis, Jr. will assume the duties of the Town Administrator/Zoning Administrator at a salary of \$20 per hour for approximately 20 budgeted hours per week. No cost of living increases will be given. The following merit increases are effective July 1, 2010:

Dennis Murray:	2% to \$31,556 per year
Jennifer Lambert:	2% to \$36,070 per year
Shelly Woodruff:	\$600 (2.35%) increase to \$26,100 and will increase again in February 2011
Freda Bailey:	\$. 32 per hour increase (3.91%) to \$8.50 per hour
Robert Stamper:	\$. 34 per hour increase (3.93%) to \$9.00 per hour

SECTION IX. Group Insurance Changes:

Employee Medical coverage will change July 1, 2010 from HealthCare Plus through Municipal Insurance Trust with the NC League of Municipalities (carrier CIGNA) to Blue Cross/Blue Shield Blue Option 7 at a savings of approximately

\$13,500 over the comparable NC League of Municipalities Med500 Health Plan. A Medical Reimbursement Plan (Exhibit A) is adopted June 29, 2010 which will be effective July 1, 2010. A line item in the General Fund Governing Body expenditures budget labeled "Medical Reimbursement Plan" budgeted at \$5,000 has been included to reimburse employees for out of pocket expenses above the MIT HealthCare Plus Plan. Employees must submit the proper documentation to the Plan Administrator for approval according to the rules of the Medical Reimbursement Plan in order to be reimbursed. Once approved, employees will be reimbursed after the end of each quarter within ten (10) business days.

SECTION X.

All laws and clauses in conflict with this Ordinance are hereby repealed.

SECTION XI. This Ordinance shall be effective July 1, 2010 and is Duly Adopted this the 29th Day of June 2010.

Luther H. Lewis, Jr., Mayor

ATTEST: _____
Jennifer Lambert, Town Clerk

Lambert pointed out that there were no rates increases included for property taxes, water, sewer, sanitation, or other miscellaneous fees charged by the town, but that with proposed increases from Waste Industries, Raleigh, and others, the Board may want to take a look at the situation sometime during the fiscal year. Nutrient Reduction Fees for new sewer connections had to be increased according to the City of Raleigh Ordinance as stated in our contract with Raleigh.

Clerk Lambert then presented 2010-2011 budget amendments as follows:

GENERAL FUND EXPENDITURES:		<u>INCREASE</u>	<u>DECREASE</u>
<i>ADMINISTRATION:</i>			
10-420-1100	Phones, Pagers, Postage	1,000.00	
10-420-1500	Maint.-Bldgs & Grounds		1,000.00
<i>PUBLIC BUILDINGS:</i>			
10-500-1300	Utilities	100.00	
10-500-3300	Dept. Supplies	100.00	
10-500-7405	Landscaping		200.00

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COMMUNITY BUILDING:

10-502-1300	Utilities	100.00	
10-502-1500	Maint.-Bldgs & Grounds		100.00

POLICE DEPT:

10-510-1100	Phones, Pagers, Postage	800.00	
10-510-3300	Dept. Supplies		800.00
10-510-1700	Maint. of Vehicles	500.00	
10-510-1300	Utilities	500.00	
10-510-3600	Uniforms		1,000.00

STREETS & SIDEWALKS:

10-560-0600	Group Insurance	200.00	
10-560-3600	Uniforms	100.00	
10-560-1700	Maint. of Vehicles		300.00
10-560-1301	Street Lights	2,000.00	
10-560-7402	Equipment Purchases		1,000.00
10-560-7405	Landscaping/Signs		1,000.00

SANITATION:

10-580-0600	Group Insurance	200.00	
10-580-3600	Uniforms	100.00	
10-580-3300	Dept. Supplies	200.00	
10-580-7400	Capital Outlay		500.00

NON-DEPARTMENTAL:

10-660-5801	Bad Debt Expense-San.	25.00	
10-660-4200	Christmas Program		25.00

LIBRARY:

10-680-1100	Phones, Pagers, Postage	300.00	
10-680-1600	Maint. of Equipment		300.00

SEWER FUND:

Expenditures:

30-800-0200	Salaries	2,560.00	
30-800-0500	Fica-Employers	135.00	
30-800-0700	Retirement-Employers	40.00	
30-800-0900	401K	95.00	
30-800-3300	Dept. Supplies	3,000.00	
30-800-3600	Uniforms	200.00	
30-800-4300	Testing	700.00	
30-800-4500	Contracted Services	200.00	
30-800-4200	Sewer Charge to Raleigh		6,930.00

The following amendment requires Board approval:

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WATER & SEWER-NON-DEPT. :		INCREASE
30-660-5801	Bad Debt Expense-Water	60.00
30-660-5802	Bad Debt Expense-Sewer	125.00
Water Revenues:		
30-370-9000	Conting. Fund Approp.	60.00
Sewer Revenues:		
30-375-9800	Conting. Fund Approp.	125.00
WATER FUND:		
Expenditures:		
30-810-0200	Salaries	4,360.00
30-810-0500	Fica-Employers	335.00
30-810-0700	Retirement-Employers	140.00
30-810-0900	401K	145.00
30-810-3300	Dept. Supplies	2,000.00
30-810-3600	Uniforms	200.00
30-810-4300	Testing	2,700.00
30-810-7300	Purchases for Inventory	500.00
30-810-1600	Maint. Of Equipment	9000.00
Water Revenues:		
30-370-9000	Conting. Fund Approp.	1,380.00

Commissioner Hough questioned why salaries in the water and sewer were over budget. Mayor Lewis explained that overtime and call back hours worked had not been included in the budget and also, the percentage of salaries split by department in the budget were not split the same way as budgeted in the payroll system.

Commissioner Hough said the town could probably save money if we checked on prices for uniform companies. Mayor Lewis said that was on the list of items for pricing comparisons, along with land line phones, and solid waste transfer stations, adding that we would be checking into taking our solid waste to a less expensive facility, if possible. Also, we will be asking Utility Director Jeff Waddell to give a list of water and sewer testing, frequency, etc. and we will be checking lab testing prices.

Commissioner Bachmann moved to approve the 2009-2010 Budget Amendments as presented by the Clerk. His motion was seconded by Commissioner McClenny and it carried unanimously.

Commissioner Bachmann moved to adopt the 2010-2011 Budget by line item and the Budget Ordinance. Commissioner Robinson seconded the motion and it carried unanimously.

Clerk Lambert pointed out that the ongoing Capital Project in the amount of \$355,100 for the Meter Replacement and Well Construction Project is not part

of the 2010-2011 operating budget totaling \$1,287, 825 because these "No Close" projects automatically carry forward from last year. Commissioner Hough asked about 2009-2010 total budget amount. Clerk Lambert advised it was 1,700,870, but \$355,100 of that total was the Meter and Well Project.

Commissioner Bachmann stated that he liked the way the budget ordinance was presented with all the changes summarized. Mayor Lewis added that Jennifer and Shelly had worked diligently going over the budget line item by line item to get the most accurate picture. He also stated that the original budget had interest revenues overstated because interest rates had fallen significantly, and these figures were corrected to reflect a more accurate picture.

Mayor Lewis added that we had eliminated overtime or callback pay in the Utility Department for checking wells and lift stations because the checks can be performed during the workweek. Commissioner Bachmann added that we are saving money using community service workers and that seems to be working well. James Liles, out of short term disability, may possibly return to work in mid-July, but a more realistic guess would be end of July or first of August because he will not be able to do any lifting or heavy work.

There was a brief discussion on trash collections rates for customers needing more than one can. This issue will be addressed further at the July meeting.

Being no further business, Commissioner Meacombs moved to adjourn.

Jennifer Lambert
Clerk

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