

**MINUTES OF A SPECIAL BUDGET WORK SESSION  
OF THE TOWN COUNCIL OF THE  
TOWN OF LAUREL PARK, N.C.  
April 26, 2011  
9:00 A. M.**

The Laurel Park Town Council held a special work session on budget issues and other items as needed at the Laurel Park Town Hall on April 26, 2011 at 9:00 a. m. The following members were present: Mayor Henry T. Johnson, Commissioner Richard P. Cooke, Commissioner Dona M. Mennella, Commissioner J. Carey O'Cain, and Commissioner Robert O. Vickery. Town Manager Jim Ball, Town Clerk Kim Hensley, Police Chief Don Fisher, and Public Works Superintendent Richard Hughey were also present.

Mayor Johnson called to order the April 26, 2011 special budget work session.

**APPROVAL OF AGENDA**

Commissioner Mennella moved to approve the Agenda. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

**DISCUSSION, FY 2011-2012 BUDGET**

Mr. Ball provided Council with an overview of the draft FY 2011-2012 budget. The draft budget showed a 1.43% increase from the previous year's budget of \$27,000. Mr. Ball stated that he would review the entire budget line by line with Council.

Mr. Ball provided the following general information concerning General Fund revenue projections for FY 2011-2012:

- Tax Rate – proposed rate (.36/100) 1 penny generates approximately \$36,125
- Revenue-Neutral Tax Rate was calculated to be (\$.367/100)
- Tax Base (estimated)
  - Real Property – 14.4% decrease in value or (\$56,550,000)
  - Personal Property – 1.5% decrease in value or (\$74,000)
  - Utilities – 0.8% decrease in value or (\$227,782)
  - Motor Vehicle – 6.6% increase in value or \$1,185,000
- Sales Tax – stable
- Interest Income – 33% decrease or \$2,000
- ABC Funds – 44% decrease or \$8,000
- Utilities Franchise Taxes – 11% increase or \$8000
- Video Programming – 6.6% decrease or \$2,000
- Other revenues – stable (Powell Bill, Beer & Wine Tax)

Mr. Ball provided the following general information concerning General Fund expenditure projections for FY 2011-2012:

- Governing Body – stipend no change
- Audit – no change
- Valley Hill Fire & Rescue – no change
- Solid Waste Management – increase of \$2,000
- Transfer to Sewer Fund - \$1,000
- Local Government Retirement System
  - Minor rate increase due to investment losses within the fund or approximately \$2,900 increase
  - Reduced liability as of December 31, 2010 or an approximate \$14,000 reduction

- Town Insurance Programs
  - Health – final rates were set on April 19 – potential 5% increase or \$10,000 – new rate packets were mailed on April 25
  - Workers Compensation – minor rate adjustment on some classes of employees (rate is based on payroll and assigned risk ratios for classes of employees)
  - IRFFNC Property Liability – no rate increase (rate based on five year loss ratio, equipment value, number of employees, population).
- Pay scale – 2% COLA adjustment
- Merit - .0% to 1.5%

Mr. Ball, assisted by the Town Department Heads, reviewed each line item within the General Fund budget for their respective departments.

The Administration Department discussion centered on software upgrades to the utility billing and cash collections, replacing the clerk's computer, purchasing two parcels to be added to the nature park and included within the stream restoration project, and the possibility of upgrading the phone system at Town Hall. On a recommendation by Mr. Ball and Ms. Hensley, Council concurred to upgrade the Town's phone system.

The Public Works Department discussion centered on replacing the 1986 hydro-mower and re-filling the Public Works position that was frozen during FY 2010-2011 budget process.

Commissioner O'Cain asked if there would be the possibility of funds being available to assist the Civic Association with their historic marker program. Mr. Ball stated currently none were programmed, but that could be reviewed during the budget year. Mayor Johnson stated that Council had discussed a park's improvement fund that the Parks and Greenways Board would manage. This could be a place for that type request. Once the results of the parks survey are completed this could be further discussed.

The Police Department discussion included replacing one vehicle and a minor software update.

Mr. Ball provided a draft Water Fund budget for FY 2011-2012 followed by a line by line review of all categories contained within the Water Fund budget. The draft budget showed a 5.3% increase from the previous year's budget or \$14,800.

Mr. Ball provided the following information concerning Water Fund revenue projections for FY 2011-2012:

- Water Sales stable
- Fund Balance appropriation \$29,100
- Water rate changes are currently undetermined

The Administration Department of the Water Fund budget centered on a software upgrade and a mailing format change to water bills from post card format to letter format.

The Operations Department of the Water Fund budget included the replacement of radios within the Town SCADA system. The Federal Communications Commission's narrowband rules have to be implemented by January 1, 2013.

Mr. Ball provided a draft Sewer Fund budget for FY 2011-2012 followed by a line by line review of all categories contained within the Sewer Fund budget. The draft budget showed an 8.45% decrease from previous year's budget or \$7,000. As with the Water Fund, sewer rate changes are currently undetermined.

Revenues

- Sewer Sales – pass through
- Transfer from General Fund \$1,000

Expenditures

- Sewer Purchases – pass through

**DISCUSSION, BUDGET AND FUND BALANCE ESTIMATE AS OF JUNE 30, 2012**

Mr. Ball reviewed with Council the Town's estimated fund balance position as June 30, 2012. Upon close-out of the proposed FY 2011-2012, the General Fund Balance will be estimated at \$778,160 or 40.7%.

**DISCUSSION, OPEN DISCUSSION ON THE BUDGET**

The Council and staff openly discussed all aspects of the FY 2011-2012 draft budget.

Mayor Johnson recommended that the Manager and Staff use a tax rate of .36 for the continued budget preparation. Council concurred with the recommendation.

Council gave staff the following guidance to assist with preparing and updating the draft budget and or items for future consideration.

- Staff should review going to a bi-weekly payroll
- Consider Wi-Fi installation for Town Hall
- Council and Staff would review the Town's benefit program at a later date

**OTHER DISCUSSIONS ITEMS**

There were none.

There being no further business, Commissioner Cooke moved to adjourn the meeting. The vote was unanimous in favor of the motion.

Attest:

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Henry T. Johnson, Mayor

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Kimberly B. Hensley, Town Clerk

\_\_\_\_\_  
Date