

**MINUTES OF A REGULAR MEETING
OF THE TOWN COUNCIL OF THE
TOWN OF LAUREL PARK, N.C.
JUNE 15, 2010
9:30 A.M.**

The Laurel Park Town Council held its regular meeting in the Laurel Park Town Hall on June 15, 2010 at 9:30 a.m. The following members were present: Mayor Henry T. Johnson, Commissioners Dona M. Mennella, Robert O. Vickery, Richard P. Cooke, and J. Carey O'Cain. Town Manager Jim Ball and Town Attorney Sam Neill were also present.

Mayor Johnson opened the regular meeting and led the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Johnson asked for any additions and/or deletions to the agenda. He recommended Steve Fosberg's appointment to the Henderson County Historic Commission term expire on June 30, 2013 be added to the Consent Agenda as item c. Commissioner Cooke moved to approve the Agenda as amended. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

APPROVAL OF THE CONSENT AGENDA

- a) Minutes from the May 18, 2010 Council Regular Meeting
- b) Minutes from the June 10, 2010 Council Work Session
- c) Henderson County Historic Commission Appoint Stephen L. Fosberg to June 30, 2013

Commissioner O'Cain moved to approve the Consent Agenda as amended. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

PUBLIC HEARINGS

FY 2010-2011 BUDGET ORDINANCE PURSUANT G.S. 159-12

Mayor Johnson opened the public hearing for the purpose of receiving public comments on the 2010-2011 Budget Ordinance Pursuant G.S. 159-12.

Mayor Johnson gave the following presentation of the FY 2010-2011 Budget Ordinance, Pursuant to G.S. 159-12:

"As mayor, I have participated in preparing and approving eleven budgets, and this year's is by far the most challenging. We are closing out a brutal fiscal year, with continued diminished revenues based on the slow economy, and extraordinary unbudgeted expenses, primarily from the harsh winter, which combined to create a perfect storm. To balance the current year's budget as required by state law, we will have to take from our fund balance (or reserves) \$264,000, almost 30% of that available. Though our remaining fund balance will be safely above the one-month of expenditures the state requires, it is far less what your Council believes is prudent for a town our size. We will need to rebuild it over the next few years to remain prepared for the unexpected.

General Fund: The general fund budget proposed by Council for the fiscal year beginning July 1, 2010, is \$1.885M, \$23,600 or a 1.2% increase over the budget adopted a year ago. The budget is based on an increase in the ad valorem tax rate of 4-cents per \$100 assessed value to a rate from \$.27 to \$.31 per \$100. So, for a property assessed at \$100,000, LP taxes will increase by \$40; for a half-million dollar property, \$200. As a reminder, about one-third of LP taxes go for garbage and fire protection.

Factors Affecting the Proposed Budget: Other than the increase in property taxes we will receive, other revenues remain well below their historic norms, particularly State sales tax distributions and interest received on cash on hand. Expenditures outside our control, especially health insurance and

retirement, continue to increase well beyond that expected by inflation. We have imposed a hiring freeze on one open Public Works position and have offered no cost-of-living or merit increases to base pay for our employees for the coming year. Additionally, we continue to defer capital expenditures where possible and are looking at acquiring used capital assets instead of new, though we know both of these actions could possibly haunt us later.

Water and Sewer Enterprise Funds: The budget again includes increases in water and sewer rates to correspond to the increases adopted by the City of Hendersonville and will result on average in a \$2.80 increase in bi-monthly water/sewer bills for those billed by Laurel Park. Comfortable fund balances exist in both our water and sewer enterprise funds.

In Summary:

- The Town remains financially healthy with no debt, though there is more pain to spread this year than usual. If the budget is executed as proposed, we will be able to transfer back about \$80,000 to our general fund balance to help offset the \$264,000 we are using to balance this year's budget. This would result in a year-end general fund balance of about 43% of annual expenditures, which is still well below the 65% average reserve levels held by towns our size in NC.
- Though Council continues to believe the availability of sanitary sewer to be a pressing long-term need of the Town, we have put those efforts to bed for now, primarily due to the fiscal climate.
- We have developed solid, long-range planning for the Town and will continue to maintain reserves at a level to absorb the shocks thrown at us by the economy, the State of North Carolina, and Mother Nature. We remain committed to conservative budgeting and vigilant budget execution and are dedicated to the continued financial health of the Town and exemplary service to our residents."

Mayor Johnson asked for discussion. Lou Lunardoni, of 242 Laurel Park Place, asked if the 2010-2011 budget was high enough. Mayor Johnson stated Council felt it was high enough and that the Town's reserve would allow the Town to get through another emergency in the next fiscal year. Commissioner O'Cain stated Council had attended several workshops and Council felt comfortable with managing the 2010-2011 budget. There being no further business, Commissioner Vickery moved to close the public hearing. The vote was unanimous in favor of the motion.

OLD BUSINESS

CONSIDERATION, FY 2010-2011 BUDGET ORDINANCE

Commissioner Mennella moved to approve the FY 2010-2011 Budget Ordinance. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

Mayor Johnson stated a copy of the FY 2010-2011 Budget Ordinance and all supporting documentation would be available for public inspection after the Town meeting.

NEW BUSINESS

CONSIDERATION, FY 2009-2010 BUDGET ORDINANCE AMENDMENT #2

Mayor Johnson stated the action taken amends the FY 2009-2010 budget. The amendment redistributes interdepartmental funds from the Public Works Department to the Administration Department to cover the costs of replacing the computer server used by the Town.

Commissioner Mennella moved to approve the FY 2009-2010 Budget Ordinance Amendment #2. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

CONSIDERATION, RESOLUTION FIXING WATER AND SEWER RATES

Mayor Johnson stated the resolution presented adjusted the water and sewer rates within the Laurel Park system to coincide with the rate structure set by the City of Hendersonville.

He stated the water rate per thousand gallons of water used by customers connected to the Laurel Park water system would increase from \$3.97 to 4.08 per thousand of gallons of usage in the new fiscal year.

He also stated the sewer rate per thousand gallons of metered water usage by customers connected to the Laurel Park water system on public sewer would increase from \$6.42 to 6.68 per thousand of gallons of usage in the new fiscal year.

Commissioner Vickery moved to approve a Resolution Fixing Water and Sewer Rates. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

TOWN MANAGER’S REPORT

Mr. Ball had no comments.

Chief Fisher gave the following police statistics for the month of May: 588 residence checks, 405 business checks, 4 arrests, 7 accidents, 1,359 area security checks, 36 citations, and 1 domestic, for a total of 2,648 service events for the month.

OTHER ITEMS TO BE BROUGHT BEFORE THE TOWN COUNCIL

Attorney Neill stated he was very close to getting everything signed and finalized on the Mansouri property by the end of the week.

MAYOR AND COMMISSIONER'S COMMENTS

MAYOR JOHNSON – Mayor Johnson thanked everyone for their support. He thanked the department heads and requested they thank their employees for a job well done.

COMMISSIONER MENNELLA – Commissioner Mennella had no comments.

COMMISSIONER VICKERY – Commissioner Vickery had no comments.

COMMISSIONER O’CAIN – Commissioner O’Cain had no comments.

COMMISSIONER COOKE – Commissioner Cooke had no comments.

There being no further business, Commissioner Cooke moved to adjourn the Regular Meeting. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

Attest:

Henry T. Johnson, Mayor

Kimberly B. Hensley, CMC
Town Clerk

Date