

**MINUTES OF A REGULAR MEETING
OF THE TOWN COUNCIL OF THE
TOWN OF LAUREL PARK, N.C.
May 19, 2009
9:30 A.M.**

The Laurel Park Town Council held its regular meeting in the Laurel Park Town Hall on May 19, 2009 at 9:30 a.m. The following members were present: Mayor Henry T. Johnson, Commissioners Dona M. Mennella, Keith A. Maddox, Richard P. Cooke, and Robert O. Vickery. Town Manager Jim Ball was also present. Town Attorney Sam Neill arrived at the beginning of New Business.

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 requested the date on the regular meeting agenda be changed from April 21, 2009 to May 19, 2009. Commissioner Maddox 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 April 21, 2009, Council Regular Meeting
- b) Minutes from the April 21, 2009, Council Special Work Session – Town Ordinances
- c) Minutes from the April 28, 2009, Council Special Work Session – Budget
- d) Minutes from the May 14, 2009, Council Work Session

Commissioner Vickery moved to approve the Minutes from the April 21, 2009, Council Regular Meeting. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

Commissioner Vickery moved to approve the Minutes from the April 21, 2009, Council Special Work Session – Town Ordinances. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

Commissioner Vickery moved to approve the Minutes from the April 28, 2009, Council Work Session - Budget. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

Commissioner Vickery moved to approve the Minutes from the May 14, 2009, Council Work Session. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

PUBLIC HEARINGS

VOLUNTARY ANNEXATION REQUEST FROM SIDNEY E. KIRKLEY AND MARGARET A. KIRKLEY, PURSUANT TO G.S. 160A-31

Mayor Johnson opened the public hearing for the purpose of receiving public comments on a Voluntary Annexation Request from Sydney E. Kirkley and Margaret A. Kirkley, Pursuant to G.S. 160A-31.

Mayor Johnson stated that, on March 3, 2009, the Town received a petition from Sidney and Anne Kirkley requesting voluntary annexation for property located at 641 and 665 Ransier Drive. Pursuant to G. S. 160A-31, a public hearing was called on the voluntary annexation request. The two properties encompass approximately 3.29 acres. He stated the property was to be zoned R-20, which would coincide with the zoning of other properties within the area.

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

OLD BUSINESS

CONSIDERATION, AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE TOWN OF LAUREL PARK, BY VOLUNTARY ANNEXATION REQUEST FROM SIDNEY E. KIRKLEY AND MARGARET A. KIRKLEY, PURSUANT TO G.S. 160A-31

Mayor Johnson stated Council had received a copy of an ordinance to extend the corporate limits of the Town of Laurel Park. He stated the annexation action would add the 3.29 acres requested in the petition from Sidney and Anne Kirkley. Once adopted, the effective date outlined within the ordinance would be June 30, 2009 and the property would be zoned R-20.

Commissioner Maddox moved to approve an Ordinance to Extend the Corporate Limits of the Town of Laurel Park, by a Voluntary Annexation Request from Sidney E. Kirkley and Margaret A. Kirkley, Pursuant to G.S. 160A-31. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

The Ordinance to Extend the Corporate Limits of the Town of Laurel Park, by Voluntary Annexation Request from Sidney E. Kirkley and Margaret A. Kirkley, Pursuant to G.S. 160A-31 was hereby incorporated, by reference, and made a part of the minutes.

NEW BUSINESS

FY 2009-2010 BUDGET MEMORANDUM

James W. Ball, Jr, Town Manager, gave the following presentation of the FY 2009-2010 Budget Memorandum:

"Attached is the proposed annual budget for FY 2009-2010 for the Town of Laurel Park covering the period from July 1, 2009 to June 30, 2010. The budget was prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The budget is balanced and identifies all revenue and expenditure estimates for the fiscal year.

A line item budget is presented showing the estimated revenues and expenditures for each of the Town's three funds (General, Water, and Sewer). A summary sheet precedes the budget, which allows Council to see the budget by broad categories followed by a fifteen page detailed line item breakdown. In the line item budget, Council can review the audited budgets for FY 2006-2007 and FY 2007-2008 plus the current year's budget FY 2008-2009. Also included is the five-year Capital Planning Budget. The five-year Capital Plan shows capital purchases and major contracted services proposed for the next five years. The spreadsheet also summarizes capital expenditures for the current year; this capital plan is subject to revision annually. In addition, a spreadsheet is included in Council's packet showing audited and estimated fund balance totals for each fund over a five-year period that concludes with an estimated fund balance total for each fund as of June 30, 2010.

The FY 2009-2010 Budget Proposal is based on an ad valorem property tax rate of \$0.27 per \$100.00 valuation, which is no change from the current year's rate.

The overall proposed General Fund Budget for FY 2009-2010 is \$1,861,500, which is 1.45% or \$37,500 lower than the FY 2008-2009 initially adopted budget.

General Fund Overview

General Fund Revenues (\$1,861,500):

The Town's overall tax base will increase by approximately 1.0% or \$10,000 as a result of modest new construction. Current economic conditions are impacting several other revenue sources. Powell Bill funds

for road maintenance, motor vehicle taxes, and interest income from investments are all projected to decrease. The most significant impact is on sales tax revenues which are projected to decrease by 12.4% or \$58,000 from the FY 2008-2009 budget projection. The proposed budget uses \$57,500 from the General Fund Balance to offset the decreases in forecast revenues.

General Fund Expenditures (\$1,861,500): There will be no increase for fire, rescue, and emergency medical services provided by Valley Hill Fire and Rescue and no increase in solid waste collection services provided by GDS. Within the Town's three major insurance programs, health insurance premiums will increase by approximately 8%, the worker's compensation insurance program will show a slight increase, and the property liability insurance program will remain stable. The overall basic payroll for the Town will increase by less than 1%.

Capital improvements budgeted for the coming year will be reduced from the previous year's level to help offset the reduction in revenues. The two most significant capital expenditures proposed in this year's budget are: \$20,000 for a replacement police vehicle and \$15,000 for the replacement of one industrial mower.

Fund Balance: The Local Government Commission (LGC) for North Carolina requires that municipalities maintain a General Fund Balance of eight percent (8%) of expenditures, which equals one-month average expenditures. For smaller municipalities, such as Laurel Park, the Local Government Commission recommends higher fund balance totals. The Commission states the Fund Balance level is to be determined by the governing body. Examples influencing this decision are the size of the governmental unit, variability of cash flows within the budget year, economic conditions, debt owed or contemplated, future capital needs, susceptibility to natural disasters, etc. The average statewide Fund Balance for communities the size of Laurel Park was 61.24% for fiscal year ending June 30, 2008. Upon execution of the FY 2009-2010 budget, the Town's estimated available General Fund Balance for June 30, 2010 will be \$878,049 or 47.17%. Laurel Park has no debt.

Water Fund Overview

The Town purchases water from the City of Hendersonville. Hendersonville is renovating its water treatment plant at an estimated cost of \$16,000,000. Due to renovation costs, Hendersonville began increasing water usage or consumption rates 5% annually for a three-year period. We are in the third year of the rate increases. This budget proposal recommends the Town water rates be adjusted to coincide with the new Hendersonville outside customer water rates. This will increase the water rate, per thousand gallons of water used by customers served by the Laurel Park water system, from \$3.78 to \$3.97 in the new fiscal year. Residential averages are approximately 5,000 gallons a month per customer. In this example, the resident would see a \$0.95 increase monthly. Since Laurel Park bills for water on a two-month cycle, this resident would see an approximate increase of \$1.90 within the billing cycle depending on his/her usage patterns.

The water fund is strictly a self-sustaining enterprise fund. The proposed Water Fund budget for FY 2009-2010 is \$293,600, which is 2.16% or \$6,500 lower than the FY 2008-2009 budget.

Water Fund Revenues (\$293,600): The major source of revenue within the Water Fund comes from customer water sales and monthly fixed charges. Additional revenues come from system development charges, tap fees for new construction, and interest income.

Water Fund Expenditures (\$293,600): The major expenses within the Water Fund are water purchases from Hendersonville, the cost of operating and maintaining our distribution system, and related salaries. The Town provides water service to 828 households and three businesses. The Town maintains eight water storage tanks, six pumping stations, and over 26 miles of service lines.

Sewer Fund Overview

Within the Town of Laurel Park, the majority of the sewer lines are owned and maintained by the City of Hendersonville, who sets the sewer rates based on metered water consumption, not sewer flow volume. Hendersonville will increase sewer rates by 5% for the upcoming budget year. This budget proposal recommends the Town sewer rates be adjusted to coincide with the new Hendersonville outside customer sewer rates. This will increase the sewer rate, per thousand gallons of water used by customers served by the Laurel Park water system, connected to public sewer from \$6.12 to \$6.42 in the new fiscal year. Residential averages are approximately 5,000 gallons a month per customer. In this example, the resident would see a \$1.50 increase monthly. Since Laurel Park bills for water on a two-month cycle, this resident would see an approximate increase of \$3.00 within the billing cycle depending on his/her usage patterns.

The Sewer Fund is an enterprise fund established to assist in financing future sewer needs for Laurel Park, as required, and to handle current sewer account transactions between Laurel Park and Hendersonville. The proposed Sewer Fund budget for FY 2009-2010 is \$109,000, which is 4.3% or \$7,000 lower than the FY 2008-2009 budget.

Sewer Fund Revenues (\$109,000): The major source of revenue within the Sewer Fund comes from customer sewer sales with additional revenue coming from interest income and \$30,000 from the General Fund.

Sewer Fund Expenditures (\$109,000): The major expenditures within the Sewer Fund are the account transactions between Laurel Park and Hendersonville. Professional services are also included within sewer fund expenditures as the Council continues to work on the feasibility of extending sewer service to all portions of the community.

In closing, the Town Council and Manager will review and refine this proposal for the FY 2009-2010 Budget Ordinance at the June work session. After today's meeting, this proposal will be filed with the Town Clerk and be available to the public during normal office hours until the budget ordinance is adopted. I will also direct the clerk to publish a statement that the budget has been submitted to the governing board and is available for public inspection. This statement will also give notice of the public hearing requirement prior to adoption of the budget ordinance.

Finally, I recommend that Town Council set a public hearing, as required by G. S. 159-12, for June 16, 2009 at 9:30 a. m. in the Laurel Park Town Hall to allow for public comment on the proposed budget."

CONSIDERATION, TO SET A PUBLIC HEARING, AS REQUIRED BY NC G.S. 159-12, FOR JUNE 16, 2009 AT 9:30 A.M. IN THE LAUREL PARK TOWN HALL TO ALLOW FOR PUBLIC COMMENT ON THE PROPOSED FY 2009-2010 BUDGET

Commissioner Mennella moved to set a Public Hearing, as required by NC G.S. 159-12, for June 16, 2009 at 9:30 A.M. in the Laurel Park Town Hall to allow for public comment on the proposed FY 2009-2010 Budget. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

CONSIDERATION, TOWN AUDIT CONTRACT WITH BURLESON & EARLEY, P.A.

Mayor Johnson stated the annual Audit Contract for the Town had been prepared by Burleson & Early, P. A., that the contract covered auditing the general financial statements of Laurel Park for the fiscal year ending June 30, 2009, and was an annual requirement. He also stated the contract amount was \$12,000, which was an increase of approximately 4.3% from the previous year's amount of \$11,500. Mayor Johnson recommended Council approve the Audit Contract. Upon Council's approval, the auditor will forward a copy of the Audit Contract to the Local Government Commission for review and approval.

Commissioner Mennella moved Council approve the Audit Contract with Burlison & Earley, P.A. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

The Audit Contract with Burlison & Earley, P.A. was hereby incorporated, by reference, and made a part of the minutes.

CONSIDERATION, ROAD CONSTRUCTION AND RIGHTS-OF-WAY ORDINANCE

Mayor Johnson stated Council was continuing the process of reviewing all Town Ordinances during the special work sessions after each Council regular meeting. Council's goal was to review the ordinances for clarity, applicability, and formatting. As Mayor Johnson stated in previous Town meetings, some of the ordinances were several years old and needed to be updated or eliminated. As each ordinance was revised and updated, a copy would be available for public inspection during normal operating hours in the Town Office, as well as posted to the Town's web site.

Mayor Johnson stated the only ordinance to be considered was the Road Construction and Rights-of-Way Ordinance. Upon Council review of the ordinance, only minor wording clarifications were recommended along with formatting.

Commissioner Vickery moved to approve the Road Construction and Rights-Of-Way Ordinance. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

The Road Construction and Rights-Of-Way Ordinance was hereby incorporated, by reference, and made a part of the minutes.

CONSIDERATION, RESOLUTION IN SUPPORT OF A REGIONAL RECREATIONAL GREENWAY

Mayor Johnson stated that, for several years, there had been discussion for the establishment of a Regional Recreation Greenway along the right-of-way of the Norfolk Southern rail line and that, at its regular meeting on May 8, 2009, Hendersonville's City Council adopted a resolution supporting the project, and asked for other regional governments and organizations to adopt similar resolutions in support of the project. He also stated that the City has said it would coordinate with local trail enthusiasts and the efforts of area governments and organizations towards creating a Regional Recreational Greenway. If a significant number of organizations joined the effort, Hendersonville hoped to bring the collective support to the attention of Norfolk Southern in an attempt to convince them to enter the rail line into the rail-banking program. Each Council member was provided a copy of a resolution for consideration of the issue.

Commissioner Cooke moved to approve a Resolution in Support of a Regional Recreational Greenway. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

The Resolution in Support of a Regional Recreational Greenway was hereby incorporated, by reference, and made a part of the minutes.

CONSIDERATION, RESOLUTION FOR SEWER PROJECT FUNDING TO THE NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND

Mayor Johnson stated, that as part of Laurel Park's application for sewer project funding to the North Carolina Clean Water Revolving Fund - funded by the American Recovery and Reinvestment Act of 2009 (ARRA), a resolution would be required as part of the application process. He stated the first round of funding was announced last month and Laurel Park was not considered. A second round of funding would be released on July 1, 2009. Each Council member was provided a copy of the resolution for consideration of the issue.

Commissioner Mennella moved to approve a Resolution for Sewer Project Funding to the North Carolina Clean Water State Revolving Fund. Mayor Johnson asked for discussion; there was none. The vote was unanimous in favor of the motion.

The Resolution for Sewer Project Funding to the North Carolina Clean Water State Revolving Fund was hereby incorporated, by reference, and made a part of the minutes.

TOWN MANAGER'S REPORT

Mr. Ball stated Duke Energy had notified him they would be doing line trimming along the Kanuga 1201 line and that, of the four power feeds entering the Town, the line served a large portion of Laurel Park households and five of the six pump stations within the Town's water system. It followed Hebron Road, by the Hendersonville Country Club, and then all the way to Jump Off Rock. The work should begin in approximately one month and might take as long as three months to complete. As work crews enter an area for trimming, door hangers would be provided to residents along the route. Mr. Ball also stated the Town would mention the line trimming in its July Town newsletter.

Chief Don Fisher gave the following police statistics for the month of April: 691 residence checks, 6 arrests, 20 citations, 3 domestics, 1,452 area security checks, and 10 disturbances for a total of 2,597 service events for the month.

OTHER ITEMS TO BE BROUGHT BEFORE THE TOWN COUNCIL – Attorney Neill stated he had made one final effort to resolve the condemnation issue with Hasan Mansouri property, but was unsuccessful.

Louis Lunardoni, of 242 Laurel Park Place, was introduced to Council members. Mr. Lunardoni was interviewed and being considered for the Town of Laurel Park Planning Board.

MAYOR AND COMMISSIONER'S COMMENTS

MAYOR JOHNSON – Mayor Johnson stated the Laurel Park Civic Association's 50th Annual Potluck Dinner and Historic Presentation held at the First Congregational Church May 14, 2009 was very well attended. He also stated the Laurel Park Civic Association's annual meeting would be on June 17, 2009 at the Hendersonville Country Club.

COMMISSIONER MENNELLA – Commissioner Mennella stated the annual Mayor's Cup Raft Race would be on June 7, 2009 at 3:30 p.m.

COMMISSIONER MADDOX – Commissioner Maddox had no comments.

COMMISSIONER COOKE – Commissioner Cooke had no comments.

COMMISSIONER VICKERY – Commissioner Vickery had no comments.

There being no further business, Commissioner Maddox 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, Town Clerk

Date